

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, DECEMBER 29, 1927



WISHING YOU HAPPINESS
AND PROSPERITY FOR
THE YEAR 1928

NORWICH UNION
FIRE INSURANCE SOCIETY, LTD.
75 Malden Lane, New York

Hart Darlington, Manager

EAGLE FIRE COMPANY
of NEW YORK
INCORPORATED 1806
75 Malden Lane, New York


Hart Darlington, President
The Oldest New York Insurance Company

NORWICH UNION
INDEMNITY COMPANY
75 Malden Lane, New York

H. P. Jackson, President

In NORWICH UNION there is strength.

COMPANIES



CALVIN COOLIDGE
August 3, 1923 -

GEORGE WASHINGTON
April 30, 1789-March 4, 1797

1799-1927


Down the Roll Call of the PRESIDENTS

Since 1799 when Washington was spending his last days at Mount Vernon the Providence Washington has been present at every Presidential roll call.

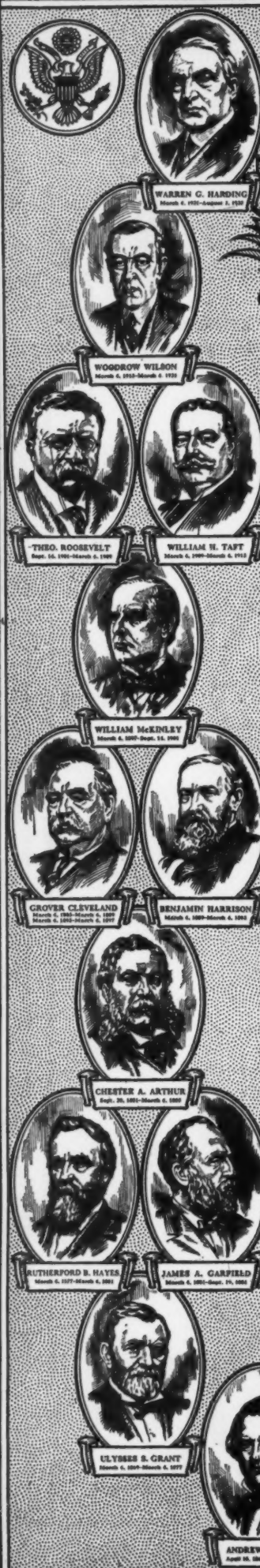
Down the line of twenty-nine chief executives the Providence Washington has come answering at every roll call with a spotless record of obligations, equitably and promptly met.

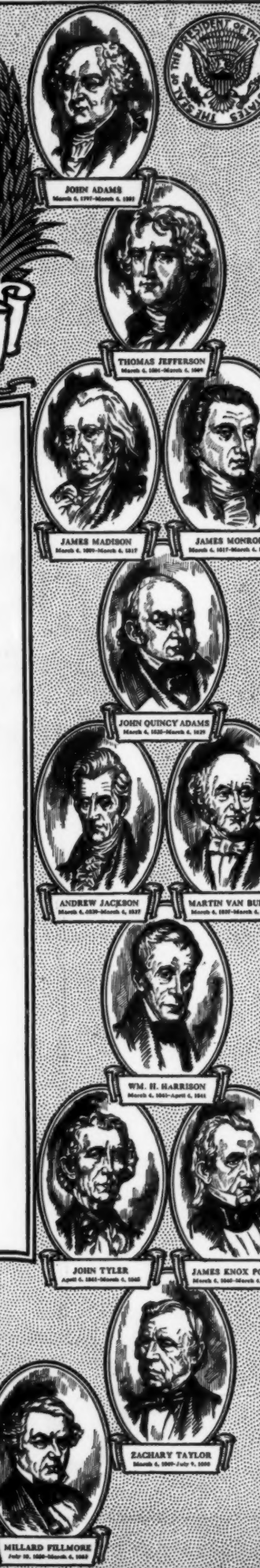
**PROVIDENCE WASHINGTON
INSURANCE COMPANY**
PROVIDENCE, RHODE ISLAND

"It Spans Three Centuries"



ABRAHAM LINCOLN
March 4, 1861-April 15, 1865





A Company for Good Agents

Twenty-two years of continuous progress have molded a reputation for the Home Fire Insurance Company of Arkansas that commands the confidence of every local agent. From an idea in 1905 this institution has grown to one of \$1,750,711.46 assets and \$500,000 paid up capital.

Wherever the Home Fire is located you will find a satisfied agent.

We have excellent agency opportunities in Arkansas, Louisiana and Mississippi.

Home Fire Insurance Co.
of Little Rock, Arkansas

TORNADO Reinsurance

PRO-RATA



EXCESS

**INTER-OCEAN REINSURANCE
COMPANY**
CEDAR RAPIDS, IOWA

Assets \$2,569,807.88

Reserves \$1,619,403.66

Surplus to Treaty Holders \$950,404.22

1794

1927

THE INSURANCE COMPANY
OF THE
STATE OF PENNSYLVANIA
PHILADELPHIA, PA.

Fire—Lightning

Tourist Baggage

Inland Transportation

Use & Occupancy

Windstorm

Automobile

Parcel Post

Rent Insurance

Acquire
THE OLD "STATE OF PENN"

Metropolitan Fire Insurance Company

CHICAGO, ILLINOIS

OPERATING IN

Illinois, Indiana, Ohio, Michigan,
Wisconsin, Pennsylvania

*All policies guaranteed and automatically
reinsured by the United States Fire Insurance
Company of New York*

CRUM & FORSTER
GENERAL MANAGERS

Western Department
FREEPORT - ILLINOIS

50%

THE business man who carries fire insurance alone is only getting 50% of the protection he should have. Profits, rent, high salaries and many other items should be safeguarded against the time when fire might bring his whole business to a standstill.

And an agent gets *only 50% of the profits he should have* when he sells fire policies and does not stress Use & Occupancy Insurance.

Agents of this company are one hundred per centers. They believe in complete protection. Use & Occupancy insurance is no mystery to them. They know every phase of it, have studied its every advantage. Whenever they sell or renew a fire policy they tell the complete, convincing story of Use & Occupancy. No alert business man neglects to take this important policy *when it is properly explained to him*.

After all our agents' unusual success with Use & Occupancy Insurance simply lies in knowing how to Tell Them in order to Sell Them.

THE **LIVERPOOL**
AND **LONDON**
AND **GLOBE**
Insurance Co., Ltd.

Western Department
CHICAGO

Pacific Coast Department
SAN FRANCISCO

Executive Offices: 1 Pershing Square, Park Ave. at 42nd St., New York, N. Y.

THE NATIONAL INSTITUTION WITH A WORLD WIDE BACKGROUND

The National Underwriter

Thirty-first Year, No. 52

CHICAGO, CINCINNATI AND NEW YORK, THURSDAY, DECEMBER 29, 1927

\$4.00 Per Year, 20 Cents a Copy

INVESTORS RUSH TO BUY INSURANCE STOCK

Company Officials Say Prices Paid
for Some Holdings Are
Not Justified

CONSERVATISM SUGGESTED

Executives Point Out That Carriers and
Shareholders Have Different
Interests at Stake

NEW YORK, Dec. 27.—As the close of the year approaches, the demand of investors for insurance stocks, instead of subsiding, as was generally expected, would be the case, grows in intensity. Prices in some cases jump anywhere from 10 to 50 points a day. No proper justification for any such condition exists, and company officials, while glad to get the general public interested as shareholders in their respective enterprises, desire that the investment be made on a reasonable basis, and not at prices that are sure to cause heartburns later on. All things considered, 1927 promises to have dealt kindly with underwriting interests. Insurance companies of every type will likely report increased earnings for the period. In no case, however, will these be sensational, certainly not such as to justify the present prices now bid for their stocks.

Based on interest yield, the figures at which many shares are now sold will return less than government bonds, than which there is no finer security to be had. Conservative officials appreciate the need for accumulating substantial surplus funds for their respective companies, realizing the hazardous nature of the business in which they are engaged, and seek to safeguard against exceptional losses to which they might be subjected at any time.

Shareholders Have Different Interest

Shareholders, who are concerned only in dividend-getting, will pay scant attention to protection measures, and are likely to clamor for returns on their investment, even when the price at which their stock was purchased was unreasonably high. Failing to induce the desired action on the part of the management, stockholders will probably become dissatisfied and instead of the business having created friends among its general owners, is likely to have made enemies.

It is this possibility that officials realize and which is disturbing them not a little. Further, the sharp advance in insurance shares, which is chronicled almost daily in the financial columns of the newspapers, is creating the impression among property owners that insurance rates now charged are excessive, else there would be no such demand for stock of the companies. That the profits of the corporations, or the great majority of them, will accrue in considerable measure from the appreciation in the

AUTO RATE REVISION UNDER CONSIDERATION

FIVE CLASSES ARE INVOLVED

Texas Commission Hears Arguments
Which Include Attack on
"50-50" Companies

AUSTIN, TEX., Dec. 27.—After hearing a full day's arguments pro and con on five classes of automobile insurance rates, the Texas Insurance Commission after a hearing took under advisement the matter of readjusting the rates as asked for by a number of companies. R. B. Cousins, chairman of the commission, stated it would probably be some time before a decision is handed down in the cases.

Col. William Thompson of Dallas, counsel for a number of insurance companies, led the attack during the hearing, together with several local agents from different parts of the state. Associates of the Union Automobile of Los Angeles led the opposition during the first part of the hearing when the "50 percent collision full coverage" provision in automobile policies was under fire.

Cut Rates Attacked

Leading off in the attack on the 50-50 policies, Carr Collins, representing the Fidelity Union Fire and Fidelity Union Casualty, stated that policies written under these terms are a cut-rate proposition, put out mostly because they are easy to sell, while the buyer never knows exactly what he is getting.

This statement was sharply challenged by P. S. Carroll of Dallas, agent for the National Union, and Ira T. Walt, vice-president of the Union Automobile, who came from California to attend the hearing. Messrs. Walt and Carroll both presented figures to show that a profit was being realized from this type of business, and so far only one complaint in the entire United States had been registered.

Mr. Carroll, speaking in defense of the 50-50 plan, said that "all companies should be allowed to write insurance on which they can realize a profit, and this type is proving more so every year to us."

"It is practically impossible for a company writing 100 percent coverage to realize a profit," Mr. Carroll continued, "for those buying feel that they need coverage and they use it. We have proved to our satisfaction that it produces a profit."

Mr. Walt declared that in the 10 middle western states over which he has

value of securities, rather than through a return on their operations, is given scant attention by the man on the street, whose conclusion is that he is paying more for his indemnity than he should, and that a reduction in rates would be in order.

Stock Demand General

That the almost frenzied rush to gain insurance stocks is not confined to investors in this city, but finds its counterpart to a degree, at least, in Hartford, Philadelphia and other insurance centers, is evidenced by the constant calls for shares reported from these cities.

INSURANCE LOSS TO BE ABOUT \$13,000,000

FINAL ROUNDUP ON CLAIMS

St. Louis Tornado Resulted in Large
Amount of Windstorm Insurance on
Dwelling Contents

With the final roundup of St. Louis tornado losses it is found that the insurance loss will be at least \$13,000,000. At one time there was a feeling that the loss would run down to \$5,000,000 but as the returns came in and the liability of companies was discovered it was found that estimates had to be revised. Almost all the losses now have been paid. It was found that the buildings were fairly well insured.

The surprising feature of the St. Louis tornado was the discovery of the fact that so little tornado insurance on contents came to light. Perhaps not over 2 percent insurance was carried on contents of buildings other than industrial. Despite the fact that St. Louis had had many warnings and had suffered numerous losses from windstorms the people evidently decided to take chances on damage to contents. Since the tornado the latter part of September agents in St. Louis have written a vast amount of tornado insurance both on buildings and contents. Undoubtedly the tendency of the time will be to insure contents of dwellings and apartment buildings in St. Louis far more than has been the case in the past.

supervision this kind of insurance is looked on with favor.

Colonel Thompson gave some statistics to disprove the demands of "public opinion" for this kind of protection in showing that in 1925, the first year of its existence, the California company received in premiums \$629,926 and paid out losses amounting to \$330,246, or a loss ratio of 52 percent. In 1926 the same company received in premiums \$490,043 and paid out \$383,572, or a loss ratio of 78 percent.

"Such practice is discriminatory and in violation of the law," Mr. Thompson stated, "for in allowing the assured person to pay only half the policy at the outset the companies do not get in enough money to do business properly. The law was to stabilize these charges and not to permit such as these to be made."

Fleet Reduction Rapped

On the question of securing a reduced rate for fleets of 10 or more cars, quite a bit of argument was put up against this on the grounds of discriminating against the owner of a few less vehicles in competition with the larger operator who would be securing a smaller insurance rate on only a few more cars.

Figures were also introduced to show that the loss ratio of fleets ran around 65 or 70 percent, while on individual cars it ran around 50 percent.

The valued policy endorsement for automobile insurance next came under fire, the main arguments seeming to be that in effect it will greatly increase losses and bring about the useless destruction of property and bring about needlessly higher rates.

USE OF AUTOMOBILES SEEMS JUSTIFIED

Much Thought Has Been Given to
Increased Expense in the
Field

MANY ADVANTAGES SEEN

Big Company Made Careful Investigation
and Believes That Results Out-
weigh Extra Cost

There has been much discussion among company officials as to whether the use of automobiles by field men has been justified or not. Undoubtedly the expense ratio has been increased through the employment of the motor car in traveling about over the territory. Taking into account depreciation, upkeep and maintenance, it costs in the neighborhood of nine cents a mile to operate a car. There have been company officials that have questioned whether the increase in cost was bringing in commensurate returns.

Recently THE NATIONAL UNDERWRITER printed a story on this subject that created wide interest, not only among the fire companies, but casualty as well. Many companies are using automobiles almost universally for their field men. They have tried them out in various states.

Called Off Machines in September

One of the large fire companies called off all its automobiles in the hands of field men during September and had them use other means of travel. This company has now assembled statistics comparing the expense, agencies visited and other items with a month when automobiles were used and also a comparison was made with September a year ago when the special agents used automobiles. Undoubtedly there are some disadvantages in the use of the automobile. There are a few occasions when there is an abuse made of the privilege. For the most part field men are conscientious in the use of the machines and in charging up expense. The attitude of 95 percent of the field men is entirely fair and beyond question. The whole issue is whether the extra expense can be justified.

Automobile Is Favored

So far as this particular company is concerned, the results of the September survey seem to favor the use of the automobile. It might be stated that this company made an exhaustive research as to bus routes, interurban lines, railway schedules, etc., to see whether it were possible to drop automobiles and use other means of travel effectively. The company also investigated the "drive yourself" plan but found that it was confined largely to the bigger cities. This company discovered that there were very few cases where the use of the automobile had been abused. For the most part the company became convinced that its men were judiciously em-

playing the automobile in the regular prosecution of business. There was some question as to whether a field man was justified in returning to headquarters when he was a distance of 60 or 70 miles away. The company has yet to work out a plan as to the distance from home it does not pay a field man to run his automobile in order to get back rather than leaving it at the stopping point for his next week's work.

Some of the conclusions reached by looking over the reports of field men and the officials making the investigation are of interest.

1. The automobile can be used most effectively by field men traveling in a compact territory. Where a state agent supervises other field men and is called to drive to points in his field it does not pay to have an automobile. This is true also in connection with an engineer or adjuster. Where a special agent has a state alone the automobile can be used effectively but should be left at a far distant point and the field man should travel back home over the week end rather than drive the automobile so long a distance.

2. Many railroads have taken off trains stopping at local points because they do not pay. Bus lines operate on major highways between larger cities. They do not reach out into the highways and byways where a number of towns and smaller cities are located. Inter-urban systems naturally are restricted as to the points they reach.

3. It is possible through the use of the automobile to visit smaller points more frequently and keep in touch with the agents. Through the automobile, detours are made from the major highways.

4. If automobiles had been hired during September by the field men for their regular journeys in getting between points and also in making inspections, the cost would have been about \$1 less than having their own machine. Inspection work can be prosecuted to much better advantage where a man has his own machine. An agent will often accompany a special agent on some particular trip to a plant, if a machine is at hand and he can get there with some degree of rapidity.

Discontinuance Would Be a Handicap

5. Owing to the fact that so many companies are now using machines the inference is that all companies would have to discontinue them simultaneously or the field men still operating machines would have a distinct advantage. It is frequently the man on the spot who gets the business, who is able to render the service or is able to accomplish some results desired. Because of the more frequent cultivation of local agents those in the smaller cities have increased their business.

6. Undoubtedly the field cost has increased materially. The more careful cultivation of the business, the opportunity for watching the plant more carefully, the rapidity with which one can get over the field, the more frequent visits to smaller agents, the greater dispatch in making inspections would seem to offset the additional expense in the opinion of the investigators for this company. Although in many cases the use of the machine has not served to increase premiums it has tended to conserve business where there would undoubtedly have been a falling off.

7. The investigators for this company do not believe that a habit of "touch and go" has been developed by the use of the automobile to a harmful degree. They have not found that the field men skimp on an agency visit any more than they did before. It is the opinion of these investigators that taking altogether the different means of travel, they are inadequate to do what a special agent can accomplish with his own machine, going at any time that he has finished his work and being able to economize both on time and distance.

Those who have gone into the subject for this particular company feel that modern conditions must be studied and taken into consideration. Old

"OUT OF SKY" COVERAGE COSTS ARE CHANGED

RATE REVISION ANNOUNCED

Automobile of Hartford Alters Charge for Policy That Covers Damage Caused by Aircraft

Revision in the damage by aircraft rates is announced by the Automobile of Hartford, which is now asking a rate of \$.10 per \$100 with 50 percent coinsurance for properties located a mile or more away from any established air field. The company charges \$.08 with 80 percent coinsurance and \$.06 with 100 percent coinsurance.

For properties within a mile radius of an established air field, the rate is \$.15 per \$100 with 50 percent coinsurance, \$.11 with 80 percent coinsurance and \$.09 with full coinsurance.

The company also offers a policy "without coinsurance" in the principal sum of \$3,000 for a premium of \$10 within a mile radius of an air field and \$5 for \$3,000 insurance outside of a mile radius, and will not write any principal sum greater than \$3,000 without coinsurance. Furthermore, the company has a minimum premium of \$5.

The Automobile, which has written quite a bit of this business, is one of the pioneers in the line, having introduced and sold this policy nine years ago. The same type of policy is now written by the Hartford Fire and the Home of New York.

The principal difficulty has been in the fact that a number of casualty companies have given this coverage away free of cost with the comprehensive dwelling house policies, which under one contract provide liability, compensation, plate glass, burglary, water damage, etc. Some casualty companies make a slight charge for the damage by aircraft protection, while others give it away as a selling inducement along with property damage from motor trucks or vehicles.

times have passed. New methods have been introduced. The insurance companies in their field work must keep abreast with the demands of the day. The work of the field men in this day is pretty much with production. Therefore any means that brings them in contact with agents more frequently and effectively will assist in that line.

It is taken for granted that farm special agents today would be greatly handicapped without automobiles. They

SYLVANIA IS SOLD TO THREE-MAN SYNDICATE

PLANS TO ENTER NEW YORK

Philadelphians Buy Control from Receivers of Hare & Chase, Former Operators—Plans Are Incomplete

Control of the Sylvania has been sold by the receivers of Hare & Chase, Philadelphia, former operators of the company, to a syndicate comprising Charles R. Jones, Edward Monroe Harris, real estate man, and Edwin A. Bookmyer of Beidler & Bookmyer, Philadelphia insurance firm.

Final plans for operating the company under its new management have not yet been made. The authorized capital of the company has been increased to \$1,000,000, and the paid-in sum will be increased immediately from \$200,000 to \$400,000. When payment of the new capital is complete the surplus item will be between \$500,000 and \$600,000.

The Sylvania is now licensed to write business in Pennsylvania, New Jersey and Delaware. It will enter New York state as soon as possible, and when license to write in that state has been obtained the company will do the unusual for what is considered a small company and will seek business in the new York City metropolitan area.

The company's authorized directorial board will have 25 members. With the sale of the Hare & Chase interests the following were elected directors in addition to the three members of the syndicate: C. E. Trinder, vice-president Royal Indemnity; Joseph M. McCulloch, president Union Bank & Trust Co., Philadelphia; Charles G. Batschelt, and Fred W. Doremus, who will be president until Jan. 1.

Prior to the sale of the Sylvania the Pennsylvania department examined the company and gave its assets as \$700,000, as against \$265,000 at the time of the last previous examination.

travel long distances and frequently would have meager means of getting into the country if they did not have their own machines. There has been much discussion among company managers as to regular field men using automobiles. The investigation of the large company mentioned may not be conclusive so far as other companies are concerned, but it is interesting to those who are giving study to the question.

MORE LIBERALITY ON LICENSING SUGGESTED

THREE STATES ARE CRITICISED

District Examination Points Would Be Aids to Applicants in Connecticut and Massachusetts

Rules to the effect that applicants for agents' licenses must in Pennsylvania, Connecticut and Massachusetts take a general examination have caused much discussion and not a little ill feeling in the east, and have caused company executives to give attention to bringing about modifications of the rules for the benefit of potential agents and therefore for the companies. One official recently proposed modifications in the rulings as follow:

In Connecticut every "first-time" applicant must take a written examination at Hartford, either for a class of company or for a specific line of business. Against the examination as such there is no objection, since it is to the interest of every insurance man now in the business and of every commissioner to elevate the standard of the men representing the business to the public. But representative Connecticut insurance men feel that establishment of district examination points would be a great convenience to all applicants and all companies. Commissioner Dunham has this modification under advisement.

Commissioner Commended on One Point

The Connecticut commissioner has been commended for permitting applicants to take the examination at the department offices during business hours on any business day. The other states named above are not so liberal in this respect, and have been criticised therefore.

The Massachusetts department requires applicants to appear at Boston for personal examination either for all lines written by a company or companies or for certain specific lines in accordance with "limiting papers" previously filed by the applicant. Examinations are held only once a month, and if an applicant fails to pass he may not take the examination again until three months have elapsed. In Connecticut the applicant who fails may take the examination again as soon as he feels he has obtained sufficient additional information to pass and can convince the department of his increased knowledge of the business.

Massachusetts Ruling More Liberal

In Massachusetts renewals of license are granted without examination and original licenses are extended to cover additional companies of the same class when the agent has been licensed for such companies for two years preceding the request for the extension.

Alterations in the Massachusetts regulations as follow are suggested: That district examination points be established; that examinations be held more frequently than once a month; that applicants who fail to pass the examination be not penalized by being forced to wait three months before being permitted to try again; that the commissioner be granted authority to exempt from the requirements—as has been done in Connecticut—such applicants as railroad ticket and baggage certificate agents, who are not insurance agents, but clerks handling the clerical details of contracts between railroad or steamship lines and other carriers and an insurance company.

District Points Established

District examination points have been established in Pennsylvania, and examinations are held once every two weeks. First-time applicants may qualify either as life, fire or casualty agents, or as agents for any or all of these lines. Under present requirements, established

(CONTINUED ON PAGE 6)

CONDENSED NEWS OF THE WEEK

Tornado insurance loss at St. Louis will be upwards of \$13,000,000. **Page 3**

Demand of investing public for insurance stocks shows increase instead of decrease as end of year approaches. Company officials say prices paid for stock are in many cases unjustified. **Page 3**

Texas commission hears arguments for and against readjustment of automobile rates and takes matter under advisement. **Page 3**

West Virginia agents submit modified form of agency agreement to replace the one proposed by the West Virginia Uniformity Association. **Page 5**

The uniform automobile certificate plan for use on the road was carefully gone over by the executive committee of the National association before work was commenced on it. **Page 10**

Three-man syndicate buys Sylvania Fire from receivers of the Hare & Chase organization of Philadelphia. Company expects to enter New York state soon. **Page 4**

Company executives in the east offer proposals for modifying the agency license rulings in Connecticut, Massachusetts and Pennsylvania for benefit of prospective agents and for companies. **Page 4**

James F. Joseph of Chicago, special representative of the Western Union, died suddenly in a moving picture theater in that city. **Page 16**

Matter of properly handling difficulties arising out of writing of public liability coverage is causing company executives concern. **Page 35**

Casualty competition has increased materially owing to so many more companies being in the field. **Page 37**

Companies watching carefully the course of events as to non-cancellable health and accident insurance. **Page 37**

Continental Casualty and Continental Assurance make changes in their non-cancellable health and accident policy. **Page 35**

Commissioner Livingston of Michigan questions companies' necessity for increasing public liability rates in his state. Claim is that companies can make profit under present loss experience. **Page 38**

The Merchants Indemnity, which will be a running mate to the Merchants Fire, is in process of organization. **Page 36**

New York Indemnity denies the report that it is tying up with the Bank of Italy on the Pacific Coast. **Page 37**

WEST VIRGINIA AGENTS OFFER NEW AGREEMENT

Action Is Decided Upon at Meeting at Parkersburg with 100 in Attendance

BACKED BY DEPARTMENT

Commissioner Mallison Sends Letter to Companies Outlining Position and Reviewing New York Conference

CHARLESTON, W. VA., Dec. 28.—The West Virginia Association of Insurance Agents has prepared an amended agreement on pink paper to distinguish it from the agreement form sent out by the West Virginia Uniformity Association and it is expected that the pink form will be signed by the agencies in all the larger towns and cities of the state. More than 100 agents met in Parkersburg recently and formulated their program and policy, and on this most of the big agencies in this state will stand.

Letter Sent to Agents

The West Virginia association has sent out to all members the proposed modified agency agreement, together with a suggested form letter to accompany submission of this agreement to companies. A letter sent to the agents by Secretary C. I. Thornburg says:

"Will you please return to each of your companies, unsigned, the original agency agreement sent you by your companies, which was disapproved by unanimous action of this association at Parkersburg, together with a copy of the modified agency agreement enclosed?

Parkersburg Action Cited

"The enclosed proposed modified agency agreement is in conformity with the action taken by the association at its meeting held at Parkersburg and has been approved by our state insurance department. At this meeting over 100 of the leading agencies of the state were represented. These agents unanimously agreed to reject the agency agreement proposed by the companies and to follow the recommendations of the conference committee of the association, that the agents agree to a level commission of 20 percent in offices representing only members of the West Virginia Uniformity Association and in mixed offices, but refused to agree not to represent companies not members of the Uniformity Association. You should make it clear in all correspondence with your companies that you do not agree to accept their proposal of 10 percent commission after Jan. 1, and in the meantime, try to conclude a contract on the basis of the modified agency agreement enclosed."

The modified agency agreement proposed by the agents is as follows:

Agreement between the Insurance Company and who has been appointed as its agent at

It is hereby agreed between the company and the agent as follows:

(1) The agent agrees to perform faithfully all his duties as agent of the company and to faithfully carry out its instructions during the life of this agreement and to further its interests in every legitimate way.

(2) In consideration of the commission paid, or to be paid, by the company, the agent agrees that he will not, on business written on and after Jan. 1, 1928, nor during the life of this agreement, accept from any company or companies, whether members of the West Virginia Uniformity Association or not, directly or indirectly, commission or emolument of any description higher than, or different from, the commission hereinafter in this Article (2) defined; and

CHANGE IS MADE IN PRESIDENCY OF THE GENERAL ADJUSTMENT BUREAU



CHARLES D. DUNLOP
Retiring President



CECIL F. SHALLCROSS
New President

(so long only as the agent observes such stipulation) the company agrees to pay, and the agent agrees to accept as full compensation on business written by him for it, commission at the following rate, viz:

(a) Fire (including all other kinds of business written on fire policies), 20 percent; windstorm, cyclone and tornado, 20 percent; automobile, 20 percent; sprinkler leakage, 20 percent; riot and civil commotion and explosion, 15 percent; rain insurance, 12½ percent; hail insurance, 20 percent.

Repay Return Commissions

(b) It is a condition of this agreement that the agent shall repay to the company (on business heretofore or hereafter written) return commissions on cancelled liability and on reductions in premiums at the same rate at which he was originally compensated. However, if there is any dispute now or hereafter on the subject of return commissions on policies cancelled after the termination of an agency, the question will be determined entirely outside of this agreement and with no obligation on the part of the company or the agent as fixed under this agreement.

(c) The foregoing commission shall include all agency expenses such as postage, exchange, advertising, solicitors' fees, personal local license fees, clerk hire, rent, services in adjusting losses under policies issued at the agency when adjusted by the agent, and all other agency charges whatsoever, excepting only maps, map corrections, advertising as required by law and taxes.

(3) It is a condition of this agreement that the acceptance by the agent, directly or indirectly, of any commission or emolument higher than or different from that stated in Article (2), shall subject the agent to the termination of this agreement as to commissions and automatically reduce the commission paid agent to not exceeding 10 percent on all classes of business as enumerated above, written in the year in which such violation of this agreement occurred.

(4) The agent agrees to notify the company in event of the representation on and after Jan. 1, 1928, of any company not a member of the West Virginia Uniformity Association.

Casualty Representatives Not Affected

(5) It is understood and agreed that this agreement does not affect or attempt to handle in any way the question of sole agencies and/or brokerage business outside of the state. It is understood and the company agrees that the representation of casualty companies is not involved in this agreement, nor will the company seek to interfere with the representation of casualty companies by the agent. It is understood and agreed that the question of ownership of expirations is not involved in this agreement.

(6) This agreement abrogates and takes the place of any contract, agreement or understanding, whether verbal

or written, of prior date, between the parties mentioned herein, so far as affecting the points covered by this agreement.

(7) This agreement may be terminated by either party at any time upon notice to the other.

West Virginia Department's Letter

The West Virginia insurance department has forwarded to every company in the Uniformity Association a letter signed by Commissioner Sam T. Mallison, which closes with the plea that the proposed original agreement be not insisted upon. The letter follows:

Some weeks ago the proposal advanced by the West Virginia Uniformity Association, composed of 154 stock fire companies doing business in West Virginia, to require their agents in this state to sign a contract on or before Jan. 1, 1928, not to represent any company not a member of your association under a threat of reduction in commissions to 10 percent, was brought to our attention.

Conference With McCain

Believing that this action was a conspiracy in restraint of the insurance business in this state, and unjust, unnecessary and detrimental to the insuring public, we took the matter up by correspondence with W. Ross McCain, your manager and chairman of the executive committee. After some letters had passed, Deputy Commissioner White and myself met Mr. McCain in the Hotel Astor in New York City on Dec. 9 and, after a conference, it was suggested that while we did not represent their agents, we believed they would agree to accept the same commissions provided in the proposed contracts in mixed agencies, or where the agency was clear, and proposed a conference with them. After consulting with the agents they agreed to these conditions and we notified Mr. McCain. He telegraphed A. J. Kincaid, president of the West Virginia Fire Agents Association, inviting him to send a committee to New York City to meet with your executive committee on Dec. 15 at your offices. A strong and representative committee of your agents was appointed and Deputy Commissioner White was invited by the agents to go with them, as he had suggested the conference.

Had Decided to Stand Pat

The conference was held as planned, but the agents were amazed to find that your executive committee had previously had a meeting and determined to stand by the proposed contract, so far as separation was concerned, and not to accept the proposal made that the agents would only accept the same commissions from non-conforming companies in their agencies, as provided in your contracts, and, further, that they would not, after Jan. 1, take any additional non-conform-

(CONTINUED ON NEXT PAGE)

WIDER DISTRIBUTION OF INSURANCE STOCKS

Year Marks Added Interest in Trading by Brokerage Houses

AGENTS BUY SECURITIES

Widespread Holdings Will Secure Good Will Toward Companies Enjoyed by Industrial Concerns

NEW YORK, Dec. 28.—The freedom with which the general public bought stock of fire, life and casualty underwriting corporations has been one of the most remarkable happenings in connection with the general insurance business during the past year. Scores of brokerage houses in this and other leading cities that formerly paid no attention to securities of such character are now actively trading in them, and find difficulty in supplying the demand from their customers. No other form of investment has gained such general favor within so short a period, and the demand promises to continue for an indefinite period. Sensational advances in the price paid for the shares of a number of companies have been recorded. Although the figures cannot be justified upon the basis of interest yield, purchasers seem imbued with the thought that if they but hold their stocks for a time they will be justified in paying the price because of an added dividend rate or a "melon cutting." Stock dividends have been paid in the past by many companies, and the new entrants into the insurance investment field argue that what has been accomplished will recur, an idea by no means discouraged by brokers trading in securities of this class.

Good Safe Investment

The primary reason for the activity in insurance stocks the past 12 months has been the great wealth accumulated by the American people and their desire to place it where a proper return may be counted upon with reasonable assurance. Stocks of banks and trust companies were long a favored type of purchases, but the price of these securities has now reached a point where they can no longer be bought upon a desirable yield basis, so the investing public has turned to insurance stocks. While the securities of the Continental, Fidelity-Phenix, Rossia and National Surety are listed upon the New York stock exchange and are actively dealt in, the great bulk of shares of other corporations are bought and sold by brokers trading over the counter; the range between the bid and asked price under the latter practice being usually from five to ten points.

Underwriters Appreciate Advantages

Appreciating the advantage that would accrue to the insurance business through a wide distributing of stock holdings, a truth long since discovered by the American Telephone & Telegraph, General Motors, United States Steel and other industrial corporations, a number of the fire companies have arranged to reduce the par value of their shares from the customary figure of \$50 or \$100 to \$10, thereby making it possible for the man of moderate means to hold insurance securities. Underwriters believe that if they can place stock of their institutions in the hands of the general public it will go a long way toward disarming the hostility toward insurance companies now manifested in many quarters, and that it will induce an intelligent consideration of any proposed inimical legislation.

The large accumulation of funds by



"Not a cough in a carload"
(Old Gold Cigarettes)

And not a sputter in the heart action of a Home policy.

As Briggs shows in his inimitable cartoonery, a wheeze at the wrong moment is mighty embarrassing. After a conflagration, if a policy gasps for breath and cannot stand the loss, it's not only mighty embarrassing—it's downright tragic!

But there's not a flutter in the Home policy—perfect heart action. It rivals the tick of grandfather's clock. And that is what counts when fire and other destructive forces are on a rampage.

Agents of the Home of New York don't have to smoke non-coughing cigarettes or eat cough drops to avoid embarrassing moments. They can write Home policies. "Not a cough in a carload!"

THE HOME INSURANCE COMPANY NEW YORK



TIME TRIED AND FIRE TESTED
SINCE 1854
THE PHOENIX INSURANCE COMPANY
of HARTFORD CONN.

insurance companies invites attack oftentimes on the part of an element of the population who cannot conceive that any millionaire institution can be conducted upon an honest and economical basis. This unwarranted attitude, exhibited in times past against the telephone and telegraph companies, has been very largely set at rest since stock of these institutions has found its way into the hands of small investors. There is no good reason why the same result should not follow a broad distribution of insurance company holdings, and it is with this conviction that several important fire companies have cut the par value of their shares to \$10, a figure easily within the purse of the man on the street.

Sell Stock to Local Agent

While the appeal to the public has actuated some of the offices, others reduced the par value of their stock through a desire to place it in the hands of their local agents, contending that if an agent is financially interested in the company he will exercise greater care in the quality of business he writes. Furthermore, he will be inclined to increase the quantity; appreciating that in addition to the straight commission and perhaps the contingent, he will share in the profit of his company. There are those who challenge this theory, pointing to the Calumet of Chicago as an example of what may happen to a fire company owned in large part by its local agents. Countering this assertion in turn is the altogether different experience had by one of the very strongest and most progressive of the millionaire institutions, which, according to its management, has over a thousand of its agents as stockholders and constantly invites others to buy shares by making it easy for them to do so.

Agents Appreciate Investment

The average fire company of today is in a vastly different position from what the Calumet was when it was operating. Present day institutions have attained such dimensions that the stock holdings of no agent, or outsider for that matter, would be given the slightest consideration when viewing a risk. Nor would the sensible agent have it so. Many agents in New York, Philadelphia and Chicago hold large blocks of stock in the companies they represent and also, in some companies not in their agencies. The purchases have been made with the sole consideration of the security behind the investment. Agents are able to judge fairly accurately the quality of a company's management, and make their stock purchases accordingly. Moreover, they have a knowledge of the business, appreciate the need for reserves of various kinds and are content to see these steadily improved, instead of insisting that all revenues in excess of that expended for losses and operating costs be distributed in the shape of dividends.

Crum & Forster Employees Buy

Within the month Crum & Forster offered agents an opportunity of their various companies an opportunity to purchase stock in the Crum & Forster Insurance Shares Corporation, a holding body. The proposition was such an attractive one that within ten days the entire offering was largely oversubscribed, and the allotment had to be scaled down. Yet another advantage of a broad distribution of insurance stock holdings is that it makes difficult a change in control of a corporation, evidence of which was afforded when a famous speculator sought to round up the majority shares of one of the time honored fire offices in New York a number of years ago. The effort failed despite the systematic effort put forth by the would-be purchaser.

E. C. Jameson Made Director

E. C. Jameson, president of the Globe & Rutgers, was elected a director of the State of Pennsylvania at a meeting of the directoral board late last week.

WEST VIRGINIA AGENTS OFFER NEW AGREEMENT

(CONT'D FROM PRECEDING PAGE)

ing companies into their agencies, thus eliminating all incentive in mixed agencies to give the preference to companies paying an excess commission.

It was clearly shown at this conference that there were only 20 such non-conforming companies, except mutuals, and your stock agents do not represent mutuals, and that these non-conforming companies wrote less than 5 percent of the business in West Virginia in 1925 and 1926 and there had been no undue growth of their business or any evidence of discrimination of your agents in their favor. Many of these companies had been represented for years in these agencies and before there was any West Virginia Uniformity Association, and two of them were domestic stock fire companies.

The committee of the West Virginia agents felt that they had been invited to this conference under false pretenses at a big expense to them.

It is true that your executive committee offered a supplement to the contract explaining some minor criticisms to it and offered to exempt the two domestic stock fire companies from separation provided the agents would represent them at the contract commissions. This was, of course, a discrimination in favor of state companies and unjust to other non-conforming companies which had been represented by your agents for years.

The agents' committee refused to recommend the proposed contract as amended to their association, and the agents' committee will recommend to the agents of the state that they refuse to sign your contracts.

In order that you may clearly know the attitude of the reputable, intelligent agents of the state on this question we quote from a letter of one of your agents in a clear agency to his companies:

Letter from Agent Quoted

"Paragraph 3 and the bracketed note in the agreement contain an ungentlemanly, undignified and discourteous threat, resented by every agent of character and standing in West Virginia. It is certainly uncalled for and not to be expected from men of the high character we presume are in control of our business at the home office. Dissension and ill-feeling have no place between companies and agents and to inject them where unnecessary is suicide to both."

With this explanation, the insurance department desires to go on record as holding these proposed contracts as unlawful, unnecessary, unjustifiable and injurious to the insurance business and to the insuring public in this state, and it is for these reasons we desire to protest against your demand that these contracts be signed by your agents in this state. This department has been conservative in the past, has been just to you in recent increase of rates in this state, and has helped your loyal agents in preventing unjust and vicious legislation against your companies. This letter is not intended as a threat, but is written with the hope that you will not insist on your proposed contracts, and not repay this department for its friendliness to you in the past by this unfriendly act.

MORE LIBERALITY IN LICENSING SUGGESTED

(CONTINUED FROM PAGE 4)

agents asking for additional licenses also must take an examination. It is to this feature of the rules that insurance men object, saying that an agency that is already established has of necessity fulfilled a requirement in the life of the community in which it operates, and therefore its personnel surely is qualified to conduct the business of the agency properly.

The official who has proposed the modifications enumerated above suggests also that the companies doing business in Pennsylvania request Commissioner Taggart to modify the present ruling to the end that they may not be hampered in extending their agency connections in the state and that established agencies be permitted to continue to enjoy the privilege of adding companies of the same class to their offices without being obliged to meet any examination requirement.

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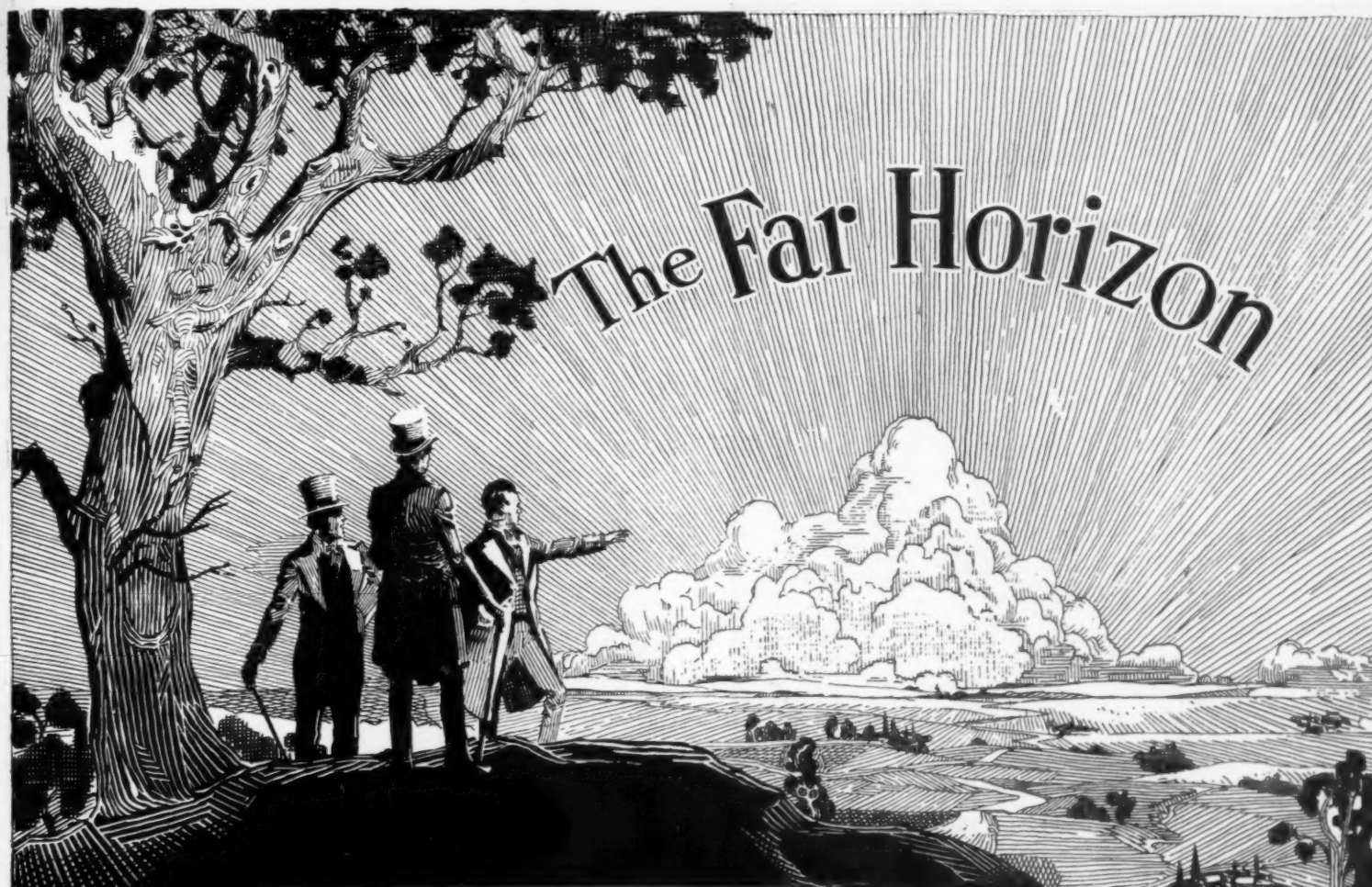
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The Far Horizon

If the Three Wise Men of AETNA had been permitted to penetrate the future . . . to see the fruit of their hours of anxiety and toil . . . they would have counted their bitterest struggles well justified. We think of the early founders as building for a future far beyond their greatest dreams.

But what of ourselves? What of our own horizons, stretching infinitely farther than the limitations of the founders of AETNA? The infant company of 1819 has grown to a group of three great associated companies in 1927 . . . with nation-wide representation.

Today the greatest obligation of our history rests on us and on our agents. On the threshold of each New Year we look ahead into fields greater than those we have left behind . . . and only as we make each year an outstanding period of progress will we measure up to the obligation laid on us by three generations of Builders of AETNA.


AETNA INSURANCE COMPANY

THE WORLD FIRE & MARINE INSURANCE CO. THE CENTURY INDEMNITY CO.





**Fire
Rent
U & O
Windstorm
Automobile
Fur Coat
Tourists
Transit
and Others**



NORTHERN
ASSURANCE COMPANY LIMITED
OF LONDON
80 JOHN STREET, NEW YORK

SOUTHWEST FIELD MAN IS VETERAN IN SERVICE

STATE AGENT FOR 20 YEARS

Fred C. Haupt, With American of Newark in Oklahoma, Has Notable Record of Service

OKLAHOMA CITY, Dec. 28.—With the advent of 1928, Fred C. Haupt, Oklahoma state agent for the American of Newark, completes his 20th year as a state agent for the company. Twelve of these years he has been in charge of the state agency here and has built the annual premium income from \$35,000 to \$350,000. Mr. Haupt has been in insurance work since he was 13 years old. For 19 years he served as local agent



FRED C. HAUPT

and for 20 years as state agent. For eight years he covered the Colorado and Nebraska field before joining the Oklahoma field force.

Mr. Haupt has attained an enviable position in the state, having built one of the most successful agency plants, with a steady increase from year to year. He is past president of the Oklahoma Fire Prevention Association, member of the Blue Goose, and is prominent in all fire and casualty insurance activities. He has recently expanded and improved his offices, removing from the Cotton Exchange building to 301 Petroleum building, one of the newest and finest in the city.

Central Fire Stock Active

BALTIMORE, Dec. 28.—Buying of Central Fire stock has revived rumors that out of town insurance interests were attempting to gain control of the company. Those who are in close touch with its affairs assert that there is no basis for these rumors. Control lies in the hands of a voting trust and, it was stated, officials have not been approached recently with any offers. It was not denied that other companies would like to acquire the Central Fire.

The floating supply of both the free stock and voting trust certificates of the Central Fire is said to be smaller than it has been at any time for months. Brisk buying of the shares recently carried the price of free stock up from 34 to 45 and the voting trust certificate to 44 in a little more than a month, and there are persistent reports that several interests stand ready to buy control of the company at 60 a share.

After considerable dispute the city of Columbus, O., and the village of Bexley adjoining have entered into a contract for supplying the village with fire protection. The village will pay \$11,000 for 1928, \$12,000 in 1929 and \$13,000 in 1930.

LARGE CITY AGENTS DO NOT CONCENTRATE

EFFORTS BADLY SCATTERED

Prominent Fire Company Representative Gives His Views on How Producers Can Increase Income

"Large city agents cultivate their territory much less intensively than do agents in cities of the third class and the small town," a prominent Chicago fire insurance man said recently, and cited the relatively small amount of insurance carried on contents of dwellings and apartment buildings in that city to sustain his charge. "Chicago is rapidly expanding, costly dwellings and apartment houses springing up almost overnight. Also the standards of living of the entire population are steadily going higher, with the result that the contents of these buildings are becoming more costly and therefore more in need of insurance protection.

"But few agents give any time to seeking premiums from the household furniture line, despite the fact that a busy agent would find plenty to do—and plenty of money—in any working day in a single street of dwellings and apartment houses.

One Line Leads to Many

"If an agent starts out to cultivate this one line, he will of necessity not keep within the line long, for he will soon be talking plate glass, furs, burglary, automobile fire and theft, windstorm and in some cases rent insurance. He can create, with intelligent effort, enough business in a small district to represent a considerable part of his total yearly income, even if this be large.

"The large city agent's handicaps are to a great extent mental. Frequently it is found he gets the idea that some other agent must have been ahead of him wherever he goes. He also gets the idea that the populace of a large city is to a considerable degree insurance-wise, and therefore has thought of insurance coverage before he thought of it. Nothing could be farther from the truth. It does not follow that because people live in a center of insurance activity they think in insurance terms. They think in terms of their own businesses and occupations, and become aware of insurance only when it is presented to them through personal contact with an agent.

Hazards Increase

"Throughout the winter season people will spend more time in their homes than they spend in summer, especially in the evening, and multiplication of human contacts in dwellings multiplies fire hazards. Heating plants already are in operation, with the result that the fire hazard on dwelling and apartment contents has increased. Winter, unemployment and theft always go together.

"The smaller city and small town agent is not overwhelmed by size as the large city agent is. The agent in the major cities of the United States has trouble seeing the forest for the trees. There are so many places to go to work that he has difficulty choosing one. And he does not concentrate as does the man in the smaller centers. The result is, that for the same amount of time and effort, the man in the smaller center makes more money. This should not be so, but it will be so until the large city agent changes his outlook and his methods of working."

The speakers' committee of the National Fire Waste Council, of which T. Alfred Fleming, supervisor of the conservation department of the National Board, is chairman, will meet in Mr. Fleming's office Jan. 11.



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*A Corporation which has stood
the test of time! 145 years of
successful business operation.*

World-wide interests.

Absolute security.

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Specialists

in Automobile Insurance

JUST AS you specialize in one line of endeavor—insurance—so does ATLAS Casualty Company specialize in your most profitable line, automobile insurance.

ATLAS provides full coverage automobile insurance—fire, theft, liability, property damage, collision, tornado—writing any or all coverages in one policy; it provides facilities for handling one risk or a fleet with equal efficiency; it adjusts all claims promptly and satisfactorily; and it writes automobile insurance exclusively, devoting all its time to serving its agents and its policyholders.

Specialists in automobile insurance, ATLAS Casualty Company offers you the benefits of this specialization in an unusually attractive agency contract together with a sound and complete automobile insurance policy.

Atlas

Casualty Company

EXECUTIVE OFFICES
Fort Wayne, Indiana

OPERATING IN ILLINOIS, INDIANA, OHIO, MISSOURI, MICHIGAN and PENNSYLVANIA

UNIFORM CERTIFICATE FOR USE ON THE ROAD

Plan Will Help in Increasing
Production of Automobile
Business

APPROVED AT CONVENTION

National Association Studied Situation
Carefully and Solicited Suggestions
Before Work Was Started

At the last midsummer meeting of the executive committee of the National Association of Insurance Agents, during a lull in the grind of detail a letter was read from an agent in the middle west, containing a statement that is about to become famous. It was: "Why don't we issue a uniform automobile certificate for use on the road?"

Almost instantly the committee seized on the idea and went to work. The members realized that although the plan was a simple one, it might be effective in providing the solution to two problems that have for some time been in the minds of the agents. The first was that only a small fraction of the automobiles now on the highways are insured. The second was that some automobile clubs are providing their members with unsound protection through tie-ups with some form of assessment insurance.

Club Interference National Problem

As one of the first steps toward the solution of the first problem, the committee recommended to each state association the formation of an automobile committee to devise ways and means of increasing the amount of automobile business written by the members. But the other question could hardly be answered by the states. Automobile club interference in insurance is national in scope and operation, consequently only a national plan could overcome their influence. That plan was found in the issuance of the suggested uniform or standard automobile identification certificate to assureds. If this could be devised in such form that it would give an agent some information respecting the cover carried on a man's automobile, the name of the agent who insured him and other pertinent data, it would be of material assistance to a traveling assured in time of trouble, following an accident or some other eventuality that is incident to the operation of a motor vehicle.

Suggestions Solicited

Suggestions were solicited from the members throughout the country and from others interested in the question. Hours of work were devoted to the matter by the national executive committee members and by the headquarters office of the National association.

As a result, a number of ideas for the certificate were presented to the committee at the New Orleans convention last October. Again much time and thought were devoted to the matter. Although a simple enough idea, like many other simple things it was not so easy to work out practically. There were many angles to be watched and difficulties and pitfalls to be avoided. Therefore, a sub-committee was appointed by the executive committee to go thoroughly into the matter and to bring out from all the data submitted a concrete suggestion for the certificate. The smaller committee finally drafted a tentative form, although the members realized that it was still subject to considerable revision. Nevertheless, con-

FARM BUSINESS HAS NOW A BETTER TONE

Underwriters Have Reduced In-
surance to Value on
All Risks

ARE MORE CONSERVATIVE

Agricultural Sections for the Most Part
Show More Strength and Greater
Prosperity

The farm fire insurance situation has improved considerably because the companies seriously in the farm business and having trained farm men to guide their destinies are underwriting far more conservatively than they have in the past. When the bottom dropped out of the farm market, companies found that agricultural property was considerably overinsured. Since that time an effort has been made to get insurance to value on a far more conservative basis. It was realized that there was much moral hazard to be encountered. Furthermore, the farmers were left in such bad shape financially that they were not able to keep up their property as it should be. This engendered carelessness. The fact that farm property ran down further depressed values.

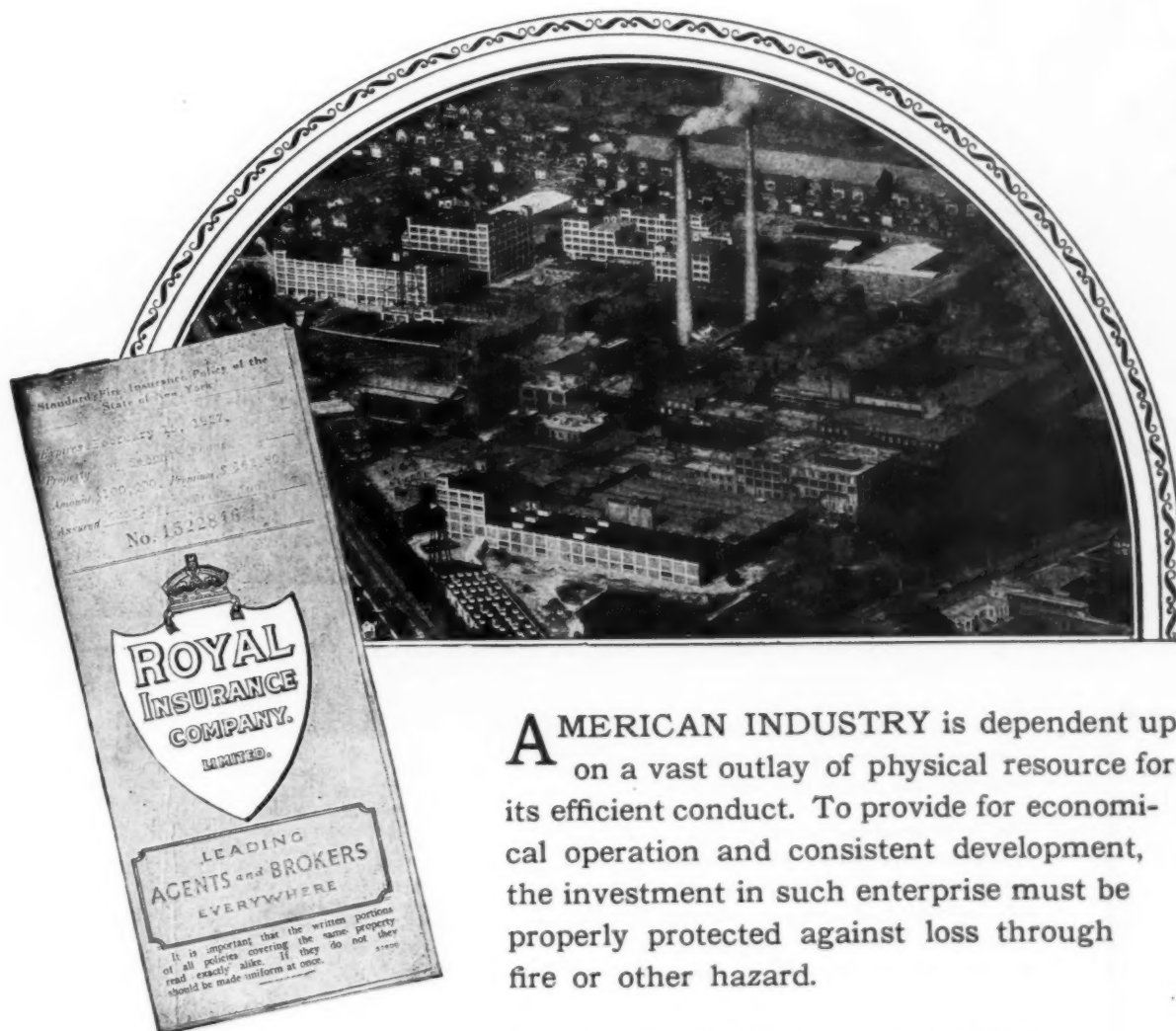
Are Cutting Down on Insurance

Nowadays underwriters are very careful in scheduling property values and then cutting down insurance to a point where the owner himself must sustain part of the loss in case his property burns. Farm underwriters agree that the only way to make any money out of the business is through this system of underwriting by getting insurance to value down to a reasonable figure. This is all the more necessary because in many cases when buildings burn, it is found that the replacement cost less depreciation is more than the value of the land itself. In some localities land values are down to such an extent that the buildings themselves have the greater value.

In the great agricultural sections of the west, farm underwriters say that conditions are improving. In a number of localities the crops have been better, the farmers are raising cash products and there is an entirely better tone. In some states it is necessary to do far more careful underwriting than in others. Kentucky and Tennessee have been particularly unprofitable and all farm companies are watching their step in these states.

The situation in Wisconsin has been considerably improved by the higher rates now prevailing. This year the farm companies met with severe tornado loss in the April and May storms. This practically cut the profit out of the farm business for the year. A number of companies that wrote farm business in a sort of a desultory way have gotten out of the business entirely. Others have withdrawn from unprofitable localities and agencies. The regular farm companies are having no difficulty in getting agents of a superior kind. The agents themselves see that it is necessary to do considerable local underwriting and selecting if they intend to hold the farm companies.

considerable progress was shown and it was not surprising that both the idea and the work which had been done on it were enthusiastically approved by the New Orleans convention, with instructions to the executive committee to proceed with its work.



AMERICAN INDUSTRY is dependent upon a vast outlay of physical resource for its efficient conduct. To provide for economical operation and consistent development, the investment in such enterprise must be properly protected against loss through fire or other hazard.

Insurance policies bearing the Red Royal Shield are contracts of an organization which has faithfully served American business for eighty-two years.

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TORNADO,
RENTS,
LEASEHOLD,
EXPLOSION,
RIOT and CIVIL
COMMOTION,
PROFITS AND
COMMISSION,
USE & OCCUPANCY

**AUTOMOBILE
FULL
COVERAGE**

Think for a moment of the various companies represented in your office. Just why did you choose each one?

One because of the immense amount of resources you knew was backing it. Another because of the suggestion of a friend who had been pleased with his connection with the company. And perhaps your choice of another was based on its age.

The agent who makes a PATRIOTIC connection may do so for various reasons, one of which is the world-wide reputation of the PATRIOTIC'S parent-company, The Sun of London, the oldest insurance company in the world. Agents like the distinctive feature that

"Back of The Patriotic is The Sun."

PATRIOTIC INSURANCE COMPANY of AMERICA

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55 FIFTH AVENUE, NEW YORK

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WESTERN DEPARTMENT
WRIGLEY BLDG., CHICAGO
JOHN F. STAFFORD, *Manager*

PACIFIC DEPARTMENT
SAN FRANCISCO
C. A. HENRY, *General Manager*

CHANGES IN THE FIELD

DISCONTINUE KIEFER AGENCY

North British & Mercantile Hereafter Will Handle Pennsylvania Business Through New York Office

Under an arrangement completed last week the North British & Mercantile takes over the general agency of Fred W. Kiefer & Co. at Pittsburgh, Pa. After Jan. 1 agents who have reported to the Kiefer agency will report directly to the United States head office in New York City. George H. Duxbury, who has been special agent in the eastern New York and Hudson river field, has been called to the head office as assistant general agent. The arrangement whereunder the Kiefer agency representation is discontinued is mutually satisfactory. The agency has represented the company for many years.

As a result of the change and the establishment of Mr. Duxbury at the New York office, the following field changes have been made:

Nevin N. Husted, who has been special agent for the Commonwealth for all of Pennsylvania excepting Philadelphia and suburbs, will represent the North British & Mercantile and the Commonwealth in western Pennsylvania, and will no longer represent the Commonwealth in the eastern part of the state. Frank W. Fodell, special agent, succeeds Special Agent C. N. Fraser in handling the Mercantile, the Pennsylvania Fire and the Homeland in western Pennsylvania. John W. Weber will represent the North British, the Mercantile, the Commonwealth and the Homeland in eastern Pennsylvania. Ernest A. Markl is transferred from the New York suburban field to succeed Mr. Duxbury. He will represent the Commonwealth, the Homeland and the Pennsylvania Fire. He is succeeded by Special Agent W. H. Gilchrist, who has been in the southern New Jersey field. C. N. Fraser is transferred to the southern New Jersey field, where he will handle the five companies of the fleet.

Howard W. Herd

J. H. Vreeland, manager of the Scottish Union & National and president of the American Union, announces the appointment of Howard W. Herd as state agent for western Ohio with headquarters at 205 Hartman building, Columbus, succeeding Carl T. Thalgot, who resigned Nov. 1 to engage in another line of business.

Howard Herd is the son of John W. Herd, state agent for the Scottish Union and the American Union in Missouri and Kansas, and he has been special agent in that territory for several years.

A. B. Merchant

A. B. Merchant has been appointed state agent of the Ohio Farmers farm department in Indiana. For six years he was a local farm writing agent and for five years served as farm special agent for the American. He has been making his headquarters at Ft. Wayne, but has moved to Indianapolis, taking offices with the Indiana state agency in the Union Title building. He left a large firm, of which he was manager, to establish his own local agency at Liberty Center.

Thomas J. Hayes

Thomas J. Hayes, who has been connected with the Oklahoma Insurance Bureau, has been appointed special agent of the Commercial Union fleet in Oklahoma with headquarters in Oklahoma City. He will assist State Agent Howard Tate. He succeeds Special Agent Maxwell, who went with the Norwich Union Fire in Oklahoma.

CHANGES BY WESTCHESTER

George Juenger Is Made State Agent in Indiana and Joseph K. Walker in Missouri

George Juenger of Indianapolis, who has been special agent of the Westchester Fire and Delaware in Indiana, has been appointed state agent to succeed Paul Chivington, who resigned some months ago. Mr. Juenger will handle the state alone.

Joseph K. Walker of Kansas City has been appointed state agent of the Westchester and Delaware in Missouri to succeed L. C. Kline, who recently resigned. Mr. Walker will take charge of that state and for the time being at least will have no assistance.

Harry A. Marsh

Harry A. Marsh has been appointed special agent of the Ohio Farmers in eastern Pennsylvania, eastern Maryland and New Jersey. He serves under the E. K. Schultz general agency at Philadelphia. He has been connected with the general agency for some time.

M. E. Gilmore

M. E. Gilmore, who for the last two years has been state agent of the National Union Fire and National Union Indemnity in Indiana, will resign that position the middle of next month. For three years prior to entering the Indiana field Mr. Gilmore was in the Chicago office of the L. & L. & G. His first insurance experience was in the insurance department of a Gary, Ind., bank. He has made no announcement of his future plans.

George Smith

George Smith, formerly managing underwriter for the Fusco Marine & Fire, has been appointed special agent for the Dubuque Fire & Marine. He will assist J. Ross Hall of Plainfield, special agent of the company for New England, New Jersey, Suburban New York and New York City.

C. C. Taylor Recovering

C. C. Taylor, manager of the Central Actuarial Bureau, Chicago, has almost completely recovered from a stroke he recently suffered in New York City, and is resting at the home of a daughter there. He expects to return to his office in Chicago this week.

Wooden Shingle Ordinance

SAN FRANCISCO, Dec. 28.—San Francisco has adopted a wooden shingle ordinance which extends the restrictions on this class of roofing to all districts of the city and prohibits the reconstruction of old roofs after they have been damaged beyond a certain percentage. The passage of the measure comes after a aggressive campaign waged by the fire chief supported by newspapers and insurance. It has been "kicked" about the supervisory chambers in the city hall for more than a year. A final drive by its proponents, however, finally placed the opposing members of the board of supervisors in a position where they were virtually compelled to permit its adoption. The measure is designed to wipe out San Francisco's great shingle roof hazard.

Depends on State of Mind

Discussing the agent's point of view as determining factor in the size of policies written, the "Hartford Agent" makes this significant comment: "In the last analysis, the amount of business we do depends upon our own state of mind—upon our own belief in the value of the many forms of protection that we have for sale."

VIEWED FROM NEW YORK

By GEORGE A. WATSON

SHALLCROSS NOW PRESIDENT

Cecil F. Shallcross, United States manager of the North British & Mercantile, has been elected president of the General Adjustment Bureau of New York. Edward T. Cairns, Fireman's Fund, was chosen vice-president. Percival Beresford, Phoenix of England; Paul L. Haid, America Fore; F. W. Koeckert, Commercial Union; C. F. Shallcross, North British; C. G. Smith, Great American, constitute the executive committee. J. W. Cochran, Fire Association, Mr. Haid, C. A. Ludlum of the Home, G. A. Russell and F. W. Koeckert were elected directors. Charles D. Dunlop, president of the Providence Washington, has served as president of the General Adjustment for the last 16 years. He continues on the board but declined to become a candidate for president of the organization again. He was presented with a silver tea and coffee set as a token of the esteem of his associates. The board adopted suitable resolutions in tribute to Mr. Dunlop.

In November, 1905, a conference of prominent company executives was called in the assembly rooms of the New York Board. Vice-President C. D. Dunlop of the Providence Washington, through whose initiative the meeting took place, addressed the gathering, urging the creation of a company adjustment bureau on corporate lines patterned after the bureau in Chicago which had at that time been in successful operation for several years.

This gathering gave birth to the General Adjustment Bureau. At subsequent meetings the organization was perfected, and in April, 1906, papers of incorporation having been secured in the state the bureau was organized with the election of the following officers and directors: Frank Lock, president; C. D. Dunlop, vice-president; E. H. R. Correa, Henry Evans, G. B. Edwards, Edward Milligan and Cecil F. Shallcross.

W. J. Greer was selected as the general manager and has held the office ever since. It is due largely to his intimate knowledge of loss adjustment work and to his unusual executive ability that the bureau has been so successful. In January, 1911, Mr. Dunlop was elected president.

The following comparison of the work done in 1907, the first full fiscal year of the bureau, with 1926 is evidence of its successful development:

	1907	1926
Losses adjusted.....	1,182	33,660
Total loss to Insur. \$7,671,000		\$67,225,000
Operating expenses.....	31,700	798,168
Employees	24	480

Mr. Dunlop has rendered the General Adjustment most intelligent and constructive service. He has done a magnificent piece of work in being head of the organization. Mr. Shallcross was one of the incorporators of the bureau and has been interested in it from the start.

CENTRAL BUREAU SCOPE WIDENED

Under an order just issued by Superintendent Beha to all fire and marine companies writing in New York State, all the so-called side-lines, including automobile fire and theft, are to be brought within the jurisdiction of the Central Bureau as to the reporting of uncollected earned premiums, as of April 1 next. In part the order reads:

"It has been decided to extend the scope of the Central Bureau so as to take in monthly fillings of uncollected earned premiums under the following classes of policies: Automobile fire, theft, collision and property damage; war, riot and civil commotion; explosion; windstorm (tornado); sprinkler leakage."

CLAIMS BODY MAKES AWARDS

Report from Washington says that awards to insurance companies by the Mixed Claims Commission to be paid

on passage of the proposed alien property bill total approximately \$59,000,000. Several claims of more than \$2,000,000 were allowed. The United States Veterans' Bureau award, \$24,319,095, was the largest. Among the awards were the following:

City of New York, \$22,363; Camden Fire, \$249,218; Boston, \$2,194,841; Bankers & Shippers, \$175,267; Automobile of Hartford, \$1,419,085; Atlantic Mutual, \$2,153,854; American & Foreign Marine, \$234,274; American Merchant Marine, \$1,221,708; American, \$20,510; American Equitable, \$301,827; Providence Washington, \$1,401,568; Queen, \$356,327; Russia, \$9,811; St. Paul Fire & Marine, \$2,315,247; Security, \$41,414; Stuyvesant, \$251,530; Transportation Mutual, \$5,400; United States Sire, with which is merged the Williamsburgh City Fire, \$158,045; Merchants & Shippers, \$82,623; U. S. Merchants & Shippers, successors to U. S. Lloyds, \$1,396,881; Federal, \$2,379,382; Fidelity-Phenix, \$96,905; Fire Association, \$4,999; Fireman's Fund, \$1,267,377; Firemen's, \$5,000; Franklin Fire, \$168,887; Glens Falls, \$210,858; New York Fire & Marine, \$37,867; Niagara Fire, \$39,725; North River, \$8,790; Old Colony, \$33,489; Phoenix, \$777,860; Agricultural, \$40,876; Aetna, \$1,848,129; Hanover, \$104,997; Commonwealth, \$51,463; Continental, \$213,194; Eureka Mutual, \$59,155; American Eagle, \$13,323; Alliance, \$5,682; U. S. Merchants & Shippers, successors to Merchants & Shippers, \$9,037; Westchester, \$130,758; Globe & Rutgers, \$6,591,422; Great American, \$123,080; Frank B. Hall & Co., \$36,660; Hartford, \$80,808; Home, \$31,267; Sydney E. Hutchison et al., \$20,043; Importers & Exporters, \$375,431; North America, \$5,134,814; State of Pennsylvania, \$213,432; Knickerbocker, successor to Equitable Underwriters, \$212,811; Massachusetts Fire & Marine, \$136,105; Merchants, \$27,814; Mercantile, \$23,174; National of Hartford, \$3,860; National Fire & Marine, \$115,345; National Union, \$39,579; Newark Fire, \$20,330; Home, \$3,168; U. S. Veterans Bureau, \$24,319,095.

BOARD MAY HAVE MANAGER

At its regular December meeting last week the New York Board considered a number of matters important to the organization, including the suggestion that the position of general manager be created for supervision of all the activities of the board. The proposal that additional funds be allocated to the arson committee resulted in some discussion on the expenses incurred in connection with a recent warehouse loss. The result of the discussion was that the matter was left with the committee for adjustment. W. R. Crane, chairman of the advisory committee of the information bureau, read a report on the activities of the bureau in disseminating risk information. Wallace Reid resigned as chairman of the fire patrol committee. He had served on that committee for 16 years. L. Charles Geel, treasurer, and Stratford D. Mills, secretary, of Mills & Honnes, were elected to membership.

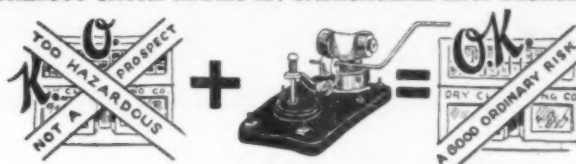
DEWITT ON SOUTHERN CRUISE

Carroll L. DeWitt, assistant United States manager of the Eagle, Star & British Dominions and other companies represented by Fred S. James & Co., accompanied by Mrs. DeWitt, is off on a ten days' cruise under southern skies.

LOSSES IN CITY DECREASE

New York City fire losses the first 11 months of this year show a decrease of more than 17 percent from the incurred losses for the same period of 1926. Losses in November this year, however, were \$1,941,560 as compared with \$1,146,560 in 1926. For the first 11 months of 1927, claims totaled 4,829, and for the same period of 1926 they totaled 5,675.

SCHLESKO-SHURE MAKES AN UNDESIRABLE LINE DESIRABLE



UNQUALIFIED ENDORSEMENT from OHIO'S STATE FIRE MARSHAL'S OFFICE

STATE OF OHIO
DIVISION OF STATE FIRE MARSHAL
COLUMBUS

December 27, 1926.

LOUIS F. MILLER
State Fire Marshal

The Glover Sales Co.,
13th & Eastern Sts.,
Kansas City, Mo.

Gentlemen:

I have had an opportunity to examine your "Schlesko-Shure Automatic Fire Extinguishing System", and am glad to give it my unqualified indorsement. It will be approved for use in any dry cleaning plant in Ohio.

Very truly yours,
W. Maguire
Department of Fire Prevention

S. S. CSM.BE

Your clients will appreciate your telling them about Schlesko-Shure Send in the coupon for information.

Schlesko-Shure

MANUFACTURING COMPANY

DES MOINES IOWA

THE GLOVER SALES CO.

KANSAS CITY, MO.

Exclusive Distributors of Schlesko-Shure Products to Dry Cleaners

SCHLESKO-SHURE
UNITS are listed as
standard by Underwriters
Laboratories.

Approved by N. Y. Industrial Code Commission.
Approved and recommended by prominent insurance and fire officials. Designed to comply with all State and City Fire Regulations.

Schlesko-Shure Mfg. Co.,
Des Moines, Iowa.

I am interested in Schlesko-Shure. Send me complete information on how the units work and how dry cleaning establishments may secure them.

Name.....
Address.....
City.....State.....
Position.....
N. U. 1-6-28

Schlesko-Shure products are distributed to Dry Cleaners exclusively through the Glover Sales Co. of Kansas City, whose sales and service engineers are at the command of present and prospective Schlesko-Shure users.



**Resolve Now—
that
1928
will be a year
minus underinsurance
insofar as you can
make it so.**

The Lloyd-Thomas Co.

(RECOGNIZED AUTHORITIES ON PHYSICAL VALUES)

APPRAISAL ENGINEERS

**4411 Ravenswood Ave., Chicago
120 Broadway, New York**

Cincinnati
St. Louis
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Des Moines

"WHAT IS AN APPRAISAL?"—It is a complete classified inventory of insurable property (except stock, merchandise and raw materials). Each item of property is valued at today's cost to replace new. The amount of accrued depreciation is determined and the sound insurable value is given.

"ITS ADVANTAGES"—1st—It discovers insurable values that have long been written off the books through unscientific depreciation—2nd—It gives the agent, the assured, and the companies value facts of property. 3rd—It makes for adequate insurance protection, for in nearly every instance it calls for additional insurance.

NEW YORK UNDERWRITERS INSURANCE COMPANY

CAPITAL \$2,000,000

A. & J. H. STODDART, General Agents

100 William Street - - - New York City

**FIRE - AUTOMOBILE - WINDSTORM
BUSINESS INTERRUPTION INDEMNITY**

Fire losses along the New Jersey shore show an increase of \$905,043 to \$1,532,528.

WILL RECOMMEND MANAGER

Paul L. Haid, president of the America Fore companies, as chairman of the governing board of the newly formed Interstate Underwriters Board of the Eastern Underwriters Association, will shortly name a committee of three to recommend a manager of the body, which will formulate plans for writing inland marine covers throughout the country. Before the department begins actively functioning, approval of its intended methods will be sought from the different insurance departments.

DEATH OF MRS. NEWBOULT

Robert Newbould, secretary of the North British and its affiliated companies, has the sympathy of the fraternity in the death of his wife, which occurred suddenly last Saturday.

SMITH GOES TO CALIFORNIA

To escape the rigor of the northern winter, Charles G. Smith, president of the Great American and chairman of the Great American Indemnity, accompanied by his family, will leave for San Diego, Cal., within the next three weeks, planning to be away until the end of March.

SHALLCROSS HOST AT LUNCHEON

Cecil F. Shallcross, United States manager of the North British group, was host Wednesday at a luncheon at the Drug & Chemical Club to Assistant Managers G. H. Batchelder and C. R. Perkins and E. S. Inglis, general agent western department, all of whom retire

from the service of the group at the close of the present year. The first two withdraw entirely from active business association, and Mr. Inglis assumes the vice-presidency of the Corroon & Reynolds companies. The dinner was attended by the executives and the divisional heads of the North British and its allied enterprises.

O. K. GREAT AMERICAN CHANGE

Unanimous approval was given by shareholders of the Great American at their meeting Tuesday to the previous recommendation of the directors that the capital of the company be increased from \$12,500,000 to \$15,000,000. The additional \$2,500,000 will be sold at twice par, thereby adding a like sum to net surplus and making the latter item \$22,000,000 and the policyholders' surplus \$37,000,000. It is anticipated the present dividend scale will be continued on the enlarged capital. The stockholders likewise sanctioned the reduction of the par value of the company's shares from \$100 to \$10, paving the way thereby, for a broader sale of the shares.

EAGLE FIRE'S NEW CAPITAL

The additional \$250,000 capital and \$375,000 surplus of the Eagle Fire of Newark having been paid in, the company now possesses a capital of \$1,000,000 and a surplus of close to \$1,250,000.

KUPILLAS MADE SECRETARY

L. O. Kupillas has been elected secretary of the Colonial States Fire that was recently organized in New York City. He will have charge of the underwriting. For the last 11 years he has been manager of the New York City department of Henry W. Brown & Co.

AS SEEN FROM CHICAGO

BUENEMANN IN NEW FIRM

J. P. Buenemann, who has been connected with Lansing B. Warner in his reciprocal institutions, has formed a partnership with George F. Knapp, under the firm name of Buenemann & Knapp, who will become adjusters for the assured with offices at 1122 in the new Wells-Van Buren building, 330 South Wells street. Mr. Buenemann is one of the well known adjusters in the central west. In 1921 he was appointed assistant general manager of the West-

Chicago office of the Western Adjustment and after five years became general adjuster. He has become an authority on loss matters. Mr. Buenemann is a hard worker and has contributed a number of articles to the literature of the business.

Mr. Knapp spent 10 years adjusting fire losses for the companies and later went with H. A. Maurer & Co. of Chicago, public adjusters. On leaving the Maurer firm he has operated on his own account. He is regarded as one of the most efficient public adjusters in the city.

SCHOEN ON COMMITTEE

E. M. Schoen, western manager of the Atlas, has been appointed on the arbitration committee of the Western Union to succeed the late Walter E. Miller of Fred S. James & Co.

BLAIR & HAILAND MOVE

Blair & Hailand, Chicago insurance firm, has moved from 166 West Jackson boulevard to the McKinlock building, on the same street. The new quarters are far more commodious than the old. An unusual feature of the office plan is that there is no general workroom, the space being divided into a series of private offices. The firm's business has grown considerably in the last year and larger quarters became necessary. Room for expansion is provided in the McKinlock building location.

RULING ON INCOME TAX

The federal trade commission has decided the issue over the income taxes of the Uniform Printing & Supply Company of Chicago. The main question was whether a business association organized by a number of insurance companies to print forms, policies and clauses at cost for all should be exempt from taxation. The commission has ruled that such a league should be denied exemption under section 231-A of the revenue act. The position is taken that an organization of this kind



J. P. BUENEMANN

ern Adjustment. He has served some 27 years in insurance business. He started his insurance career at 15 years of age working eight years as a daily report examiner. In December, 1905, he was appointed special agent of the American of New Jersey, traveling in Minnesota. Later he became adjuster for the Royal with headquarters in Chicago. In March, 1912, he joined the

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to be exempt must be engaged in and limited to activities similar to those of the ordinary chamber of commerce or board of trade. The commission holds that these activities must not be of a kind ordinarily carried on for profit. The report says:

"The tax-payer was organized by a number of insurance companies to print their forms. The arrangement was that it was not to make any profits or declare any dividends, but was to print the forms at cost. During one year it accumulated \$76,000, in addition to enough for ordinary expenses, to care for depreciation on machinery, but this was subsequently expended." The board denied exemption as a business league, the only issue being whether it was a business league within the meaning of the term.

W. H. FRENCH JOINS FIRE OFFICE

W. H. French has been made vice-president of the Chicago Fire Office, which does a reinsurance business only, operating throughout Western Union territory. Mr. French began his insurance career in the Chicago office of the Springfield and is well known in the fraternity in Chicago. Following his Springfield connection he served the North America, the Continental and the Union of Canton. He is a member and past president of the Association of Fire Insurance Examiners of Chicago.

INSURANCE STOCK QUOTATIONS

Charles Sincere & Co., the Chicago insurance investment house, gives the following stock quotations as of Dec. 27, through H. W. Cornelius, manager

Stock—	Par	Bid	Asked	Share
Aetna Cas. & S.	100	1360	1380	12
Aetna Fire	100	780	820	24
Aetna Life Ins.	100	862	870	12
Agricultural	25	139	144	4
Amer. All.	100	510	...	16
Amer. Auto.	100	65	...	20
American	10	32	34	1
Amer. Surety	50	320	325	12
Automobile	100	335	345	1
Bankers & Ship.	100	480	...	10
Camden	5	32	34	12
Carolina	10	90	94	1.40
City of N. Y.	100	480	...	12
Col. Nat. Life	100	310	325	7%
Commonwealth	100	605	...	20
Continental	25	72	83	6
Comp. Gen. Life	100	1775	1825	12
Fid. & Cas.	25	208	218	5
Fid. & Deposit.	50	268	272	10%
Fid.-Phenix	25	197	198	4
Firemen's	10	60	63	22
Franklin Fire	25	390	405	32
Glens Falls	10	62 1/2	65 1/2	1.60
Globe & Rutgers	100	2300	2500	36
Great American	100	660	670	16
Hanover	50	430	...	5
Harmonia	10	84	90	1.60
Hartford Fire	100	805	820	20
Hart. St. Boiler	100	840	...	14
Home, N. Y.	100	660	675	20
Homestead Fire	10	67	70	40c
Import. & Exp.	25	104	109	...
Ins. Co. of N. Am.	10	99	101	2
Lincoln, N. Y.	20	106	...	4.50
Md. Casualty	25	193	196	18
Merchants, com.	25	280	360	8
Merchants, pfd.	100	125	...	7
Metrop. Cas.	25	74	78	4
National, Ct.	100	1075	1100	20
National Liberty	10	195	200	14
Nat. Union Fire	100	360	370	12
National Surety	100	354	356	9
New Amst. Cas.	10	78	80	24%
Niagara Fire	50	390	...	10
Northern, N. Y.	100	400	...	10
North River	25	235	...	4
New York Cas.	25	130	135	4
Pacific Fire	25	140	150	3.50
Pacific Indem.	50	145	150	...
Pac. Mut. Life	100	850	870	20%
Phoenix, Ct.	100	825	850	20
Prof. Accident	100	450	500	23
Prov.-Wash.	100	560	570	24
Rossia	25	144	185	24
Springfield	100	1000	1050	16
Stuyvesant, N. Y.	100	280	...	6
Travelers	100	1700	1715	16&Ex.
United States	20	295	...	5.60
U. S. Fid. & Guar.	50	370	380	18%
U. S. Mer. & Sh.	100	320	330	8
Vulcan	100	100	...	6%
Westchester	10	84	88	2.50

*Old, 305 bid, 306 asked; new, w. l. 82 to 83.

NEW VICE-PRESIDENT ELECTED

James P. Gillies, who for 10 years was manager of the Ingersoll-Rand Company of Illinois, has been elected vice-president and director of the Smith-Lawson-Coombs Company, Chicago. Mr. Gillies has had no previous insurance experience but is an extremely able salesman. In his new connection he

will be in charge of new business and the production department, and will be a contact man with all agents and assureds. He will deal in insurance in all its branches.

CONLEY MADE OFFICE MANAGER

Joseph Conley, Jr., has been appointed office manager for the Chicago agency of G. A. Mayon & Co., thus taking charge of all the details. He has been connected with Mr. Mayon for the last four years. By being relieved of considerable office work Mr. Mayon expects to spend more time with his field force among the Class 2 agents that he has developed.

DECEMBER INSPECTIONS

As shown by the records of the fire prevention department of the Western Actuarial Bureau, there were three inspection and education campaigns conducted by state fire prevention associations in December, in which 53 field men participated.

Of the 269 risks inspected, 238 were criticised, a total of 914 defects having been discovered. In connection with the campaign, there were 14 addresses made, of which nine were before 2,676 children and five to 477 adults.

Most Loyal Grand Gander T. L. Geraghty of the Blue Goose has appointed P. J. V. McKian, welder of the Illinois pond, as a member of the entertainment committee for the 1928 meeting, to be held at Montreal.

H. K. Lininger, Oklahoma state agent for the Springfield F. & M., and family, spent the Christmas holidays with Mr. Lininger's father, W. H. Lininger, associate western manager of the Springfield in Chicago.

Manager E. W. Law of the western department of the Royal has gone to his place in Florida for a few weeks' stay.

REPORT ON EXAMINATION OF THE FIDELITY-PHENIX

NEW YORK, Dec. 28.—Concluding the report of their examination of the Fidelity-Phenix as of Dec. 31 last, representatives of the New York department state in part: "the company was found to be in excellent financial condition, having a surplus of \$21,600,055, in addition to its capital of \$10,000,000." The examiners credited the surplus account with \$5,056,153 beyond that claimed by the company, through granting larger valuations on certain securities and transferring the special reserves for security fluctuation and contingencies to general surplus.

In its underwriting and investment exhibit for the preceding five years, the Fidelity-Phenix is shown to have sustained an underwriting loss of \$1,447,495 and a loss on miscellaneous items of \$10,049,971, offset by investment gains of \$23,895,871. The Fidelity-Phenix is one of the America Fore companies and is under the same highly efficient management as the other companies of the group.

Planet Enters Canada

The Planet Assurance of London has been licensed in Canada. It is a subsidiary of the Sun. Lyman Root of Toronto, manager of the Sun, has charge of the Planet also.

EXAMINER WANTED

Examiner thoroughly familiar with Texas territory and agents for home office position with Texas company. In reply please state education, experience, references and salary expected. Address C-91, care The National Underwriter.

CEDAR RAPIDS, IA. HOTEL ROOSEVELT

Rates: Room without Bath with private Lavatories \$1.50 and up. Rooms with Bath, Shower or Tub \$2.50 and up. R. G. KILL, Mgr.

Hotel Directory

The Hotel Baltimore



in Kansas City

500 Rooms

RATES
Room without Bath—
\$2.00 and up
Room with Bath—
\$2.50 and up
Double Room with Bath—
\$4.00 and up
Marble Coffee Shop
TABLE D'HOTTE
Lunch 75c
Dinner \$1.25
Also A la Carte Service

BREVOORT HOTEL

Madison Street
East of LaSalle CHICAGO
[Insurance Headquarters]

Brevoort Hotel upholds worthily the best traditions of American hotels famed for hospitality.



"In the Heart of Cleveland"

AUDITORIUM HOTEL

EAST 8TH AND ST. CLAIR AVE.

TO THE PUBLIC

Are you wondering why we have built "Auditorium" Hotel in Cleveland? Our answer is a good reason for spending nearly two million dollars. We have a room worth for more than this.

Every hotel operator gives "The best offers for your money." We have earned our share around our hotel.

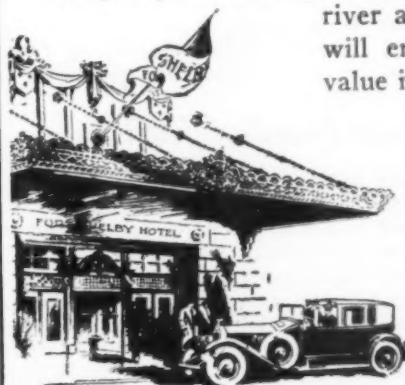
There comes a time when both of the hotel. The one really gains by having been just this.

Sincerely yours,
GEORGE J. PAUL,
Manager.

HOTEL FORT SHELBY

LAFAYETTE AND FIRST DETROIT

Whether your choice be one of the many very comfortable rooms at \$2.50, \$3 or \$4 or one of the richly furnished suites in the 22-story recent addition, whose sunny bay windows give an entrancing view of city, river and Canadian shore, you will enjoy a special sense of value in Hotel Fort Shelby.



All rooms have Servidors. Convenient to all downtown; principal shops almost at the door. Garage in connection; cars delivered without service charge. Excellent facilities for conventions.

Brochure on request.

In Des Moines it's

The CHAMBERLAIN Hotel

Most Centrally Located
250 Fireproof Rooms

NEW NICOLLET HOTEL
Minneapolis

The Northwest's finest—600 rooms with bath or connecting.

Every room an outside room. Finest Ballroom in Northwest. Every facility for conventions up to 1,500.

ROOMS

59 at \$2.00	257 at \$3.50
68 at 2.50	41 at 4.00
84 at 3.00	38 at 5.00

Suites and Special Rooms at \$8 to \$9.
W. B. CLARK, Manager

THE NATIONAL UNDERWRITER

Formerly THE WESTERN UNDERWRITER

Published every Thursday by THE NATIONAL UNDERWRITER COMPANY, Chicago, Cincinnati and New York. EDWARD J. WOHLGEMUTH, President; JOHN F. WOHLGEMUTH, Secretary; HOWARD J. BURRIDGE, Vice-President and General Manager; H. E. WRIGHT and NORA VINCENT PAUL, Vice-Presidents; WILLIAM A. SCANLON, Southwestern Manager; GEORGE C. ROEDING and O. E. SCHWARTZ, Associate Managers; B. F. STEVENS, Manager, Advertising Service Department.

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NEW YORK OFFICE
80 Maiden Lane, Tel. John 1032
GEORGE A. WATSON, Associate Editor
SOUTHEASTERN OFFICE—ATLANTA, GA.
1517 Fourth National Bank Building
W. J. SMYTH, Resident Manager
Entered as Second-Class Matter February 24th, 1900, at Post Office at Chicago, Ill., Under Act, March 3, 1879

Subscription Price, \$4.00 a year; in Canada, \$5.00 a year. Single Copies 20 cents
In Combination with Life Insurance Edition, \$5.50 a year; Canada \$7.50

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Last of the Big Mohicans

THE announcement that the Rochester department of the GREAT AMERICAN is to be incorporated as the ROCHESTER AMERICAN calls attention to the big fight that was made against underwriters' agencies some years ago by the organized agents. It became quite common for companies to establish annexes in order to have an excuse to plant additional agencies in various localities. The organized agents felt that the underwriters' agency was but a subterfuge to multiply agents and bring more producers in the field. Considerable sentiment therefore antagonistic to the plan was aroused. The NEW YORK UNDERWRITERS AGENCY was regarded as the key to the situation. It was felt that if it incorporated the others would fall by their own weight. THE PHILADELPHIA UNDERWRITERS was the first to take the step, resulting in the PHILADELPHIA FIRE & MARINE. The NEW YORK UNDERWRITERS incorporated, as did the DELAWARE UNDERWRITERS. This left the ROCHESTER as the main outstanding annex that still kept running, although, before any other underwriters' agency was incorporated, the GREAT AMERICAN had taken preliminary steps to make a company out of the ROCHESTER DEPARTMENT, but delayed on account of the tight money market some years ago.

So far as we can see, the incorporation of these larger underwriters' agencies has not affected competition nor have the horde of other underwriters ceased business. As a matter of fact, when the situation is carefully analyzed, it will be found that the number of agents per population is constant. There are large and efficient agencies and there are side-liners. The companies have swung away from the underwriters' agency system to the group system. Feeling the pressure from the agency ranks, companies now establish incorporated auxiliaries. The fiction of the underwriters' agency is lost in the corporate entity of the running mate. The agents who are alive, who have mastered their business, are giving real service, are going after business in the right way and are making themselves valuable to customers, do not worry much about the small fry in insurance. More capital has been brought into insurance but the number of agents has not decreased.

Corporate Surety Has Benefited

THE advice that the late JUDGE GARY of the UNITED STATES STEEL CORPORATION gave the beneficiaries of his will regarding personal surety has had a widespread effect. JUDGE GARY was an eminently successful business man and understood the pitfalls and shoals that cause embarrassment and bring ruin. The fact that a man in his position felt it a serious enough matter to give advice in his last

will and testament warning members of his family against exposing themselves to danger through personal surety has caused many to stop, look and listen. When we have corporate surety there is no need for personal surety. There are now plenty of companies writing surety bonds so that the public official that calls on his friends for the use of their names should be answered in the negative.

Effect of Suspension Practice

ONE of the keen observers in automobile liability insurance gives it as his opinion that one of the causes for the increase in rates is the practice of the companies in allowing a suspense credit in the northern states where cars are not used to any extent in the winter. In these states frequently the country is snowbound and it is not often that an owner of a car takes it out. Therefore,

he has his policy suspended for two or three months and gets a credit for that period. This authority says that the annual premium was sufficient to meet all obligations and return a reasonable profit without allowing any suspense credit. He thinks, therefore, that the use of a suspense credit has been one of the factors in bringing about a loss of automobile liability underwriting.

PERSONAL SIDE OF THE BUSINESS

Edson T. Wood, for many years prominent in local agency circles in Indianapolis, died last week, aged 59. He was ill but four days. For several years he was president of the Firemen & Mechanics, a special charter company of Indiana, which reinsured in the Marquette National of Chicago in 1922. Mr. Wood was also a large owner of and operator in real estate in Indianapolis.

The Insurance division of the Omaha Chamber of Commerce will give a dinner Friday to Frank T. B. Martin of Martin Brothers & Co., local agents in that city, who has been elected president of the Insurance Federation of America. The committee in charge consists of G. A. Satter, manager Mutual Life of New York; C. R. McCotter, manager Grain Dealers National Mutual Fire, and H. O. Wilhelm, general agent Northwestern National Life.

President Fred M. Burton of the Texas Association of Insurance Agents left his home in Galveston to spend the holidays in New York with his children living there. While in New York President Burton had a conference with Secretary Bennett of the National Association of Insurance Agents.

James J. Johnson of Chicago, state agent of the Philadelphia Fire & Marine in Illinois, is on a leave of absence for the winter, having left this week for Bradenton, Fla., where he with Mrs. Johnson will spend the next few months. Mrs. Johnson is a sufferer from arthritis and finds it necessary to get away from the rigors of Chicago winters. She was formerly secretary of the Illinois State Board. Mr. Johnson served as its president in 1904-5.

Frank von der Lancken, famous artist and lecturer at the New York Chautauqua, is exhibiting a striking portrait-sketch of George W. Jalonick, Sr., long time officer of the Republic of Dallas and associate manager of the Republic Underwriters. The sketch has caught a very characteristic expression of Mr. Jalonick and gives the impression that the subject is about to speak.

Fred R. Scobie, local agent at Berlin, Wis., who has represented the Fidelity-Phenix for the past 27 years, was guest at a banquet in his honor in Milwaukee last week, at which time he was presented with a service medal by E. A. Henne of Chicago, secretary of the America Fore companies. Mr. Scobie was special agent for the company for nine years and in 1913 went into the local agency business.

James F. Joseph of Chicago, special representative of the Western Union, who has long been connected with the governing committee's office, died suddenly in the Tower theater at 63rd street and Stony Island avenue in Chicago Monday evening. Mr. and Mrs. Joseph had gone to the theater about 6:30 p. m. He had taken off his coat and thrown it over the back of the seat. Mrs. Joseph sat down and immediately saw her husband gasping for breath. He was taken out and hurried to the Illinois Central Hospital. It is supposed, however, that he died almost instantly from cerebral hemorrhage. Mr. Joseph had been afflicted with Bright's disease for a number of years and this of course impaired his general health. His last public appearance was at the Christmas festivities of the Round Table of the Union League Club in Chicago, when he impersonated Santa Claus and cavorted around the table in lively fashion, giving unique presents to the members. He was at his office last Saturday in fine fettle. He had a family dinner at his home Sunday. There are two sons, Albert Hitchcock Joseph and John Eustis



JAMES F. JOSEPH, Chicago
Special Representative Western Union
Who Died Suddenly

Joseph. Albert is connected with the Michigan Inspection Bureau at Detroit and John is a member of the publicity staff of the Balaban & Katz theaters in Chicago. He was formerly dramatic critic of the Chicago "Herald-Examiner." Albert drove over to Chicago to be with his parents during Christmas and started home Monday noon. Both boys were named after old-time intimate friends of Mr. Joseph—C. I. Hitchcock of the "Insurance Field" and Truman W. Eustis, formerly western manager of the Manchester. The interment was at Indianapolis, the old home of Mrs. Joseph. The funeral service was held in Chicago Wednesday afternoon.

Mr. Joseph was a native of Philadelphia, having been born there July 25, 1865. He began his business career as an errand boy in a book publishing house. In 1883 he became connected with the central department of the old American of Philadelphia at Cincinnati when Eglinton Francis was manager. In 1888 he went to Chicago and became an examiner in the western department of the old Phenix of Brooklyn. Then he was sent to the field with headquarters at Cincinnati, traveling for the Phenix in Kentucky and Tennessee and the larger cities of Ohio. Truman W. Eustis, who had been assistant manager for the Phenix, became manager of the Manchester in the west. In 1898, Mr. Eustis appointed Mr. Joseph as assistant manager of the Manchester. The Manchester was merged with the Atlas and Mr. Joseph in 1903 became assistant manager of the western department of the North British & Mercantile.

The North British & Mercantile acquired the Commonwealth of New York and Mr. Joseph became vice-president of that company and moved to New York. On Sept. 1, 1911, he retired from the service of the North British and Commonwealth to become vice-president and underwriting manager of the Sterling Fire of Indianapolis. Mr. Joseph found at that time the lot of the independent fire company very difficult. He recommended to the directors that the Sterling Fire make a reinsurance arrangement with the Hartford Fire whereby the Hartford would manage the company. This was done.

Mr. Joseph in 1916 became special representative of the Western Union. In that capacity he visited field meetings and general gatherings. He has served as chairman of the constitution and by-laws committee of the grand nest of the Blue Goose for some time. Mr. Joseph was prominent in the Fire Underwriters Association of the Northwest and other organizations.

1928 ?

Every insurance agent wonders how his business will fare during the course of 1928.

You can be sure that it will be the greatest year you ever had if you make a resolution to try and sell complete insurance to every client—and stick to it.

Tell every home owner who buys fire insurance of the need of Windstorm, Rental Value & Personal Effects insurance for complete protection—

Every owner of rented property of Rent and Windstorm insurance—

Every business executive of Business Interruption and Profits insurance, of Windstorm, Explosion, Parcel Post and Transportation covers.

Make "complete protection" your slogan in 1928—and nothing can stop you.

**The CONTINENTAL
INSURANCE COMPANY**
EIGHTY MAIDEN LANE, NEW YORK, N.Y.

ERNEST STEIN, Chairman of the Board
PAUL L. HAUD, President

CASH CAPITAL—FIFTEEN MILLION DOLLARS
NEW YORK + CHICAGO + MONTREAL + SAN FRANCISCO



"AMERICA FORE"

"The Continental Commands Confidence"

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

OPINIONS DIFFER IN OHIO

Some Report Gain and Others Loss in Fire Premiums—Collections Have Been Slow

COLUMBUS, O., Dec. 28.—Ohio has had a good year or an ordinary year in fire insurance—it depends altogether upon the viewpoint of the insurance man interviewed. It is understood that some companies have shown a falling off in premiums, while some of the insurance men report they are running ahead. Although Columbus' fire loss is reported lower, it is said that the fire situation has been running along lines similar to those in previous years.

Business has been slow. Many lines were held back for several months awaiting developments of the new Ford and it is expected that there will now be somewhat of a revival. Some local agents are complaining of slow collections and some reports indicate that the worst trouble has been with agencies in the larger cities.

Many dwellings were constructed in Ohio this year, and the people are moving out into new homes in the suburbs, leaving many vacant houses in the city proper. Columbus, it is said, has run ahead somewhat of other cities in the erection of large buildings. The opinion seems to be that Columbus has been building too many new office structures and that there will be many vacant offices during the coming year.

Ohio Field Club Meetings

COLUMBUS, O., Dec. 28.—The two Ohio field clubs will hold their next meetings Jan. 9. The Blue Goose will meet at the same time and it is understood that a dinner will be held in connection with the meeting.

Columbus Losses Decreased

COLUMBUS, O., Dec. 28.—The fire loss in Columbus up to Dec. 21 was \$306,584 less than it was in the same period last year, the fire department announces. The total loss so far this year is \$517,282. The number of alarms in the same period this year was 1,662, compared with 1,663 in the corresponding time last year.

Ohio Notes

Alvin J. Tennent has purchased the Stewart Pearce agency at Conneaut, O.

Laurence H. Trittschuh recently purchased the L. L. Lehman Agency at Versailles, O.

Fire this week caused a loss of \$25,000 in the plant of the Union Salt Company at Cleveland.

Incendiarism is blamed for a fire which destroyed the power house and wash house of the Maple Grove mine, near Adena, O. The loss is \$12,000.

The plant of the Eaton Springs Company at Massillon, O., was burned with a loss of \$50,000. Much machinery and 3,000 gallons of oil were consumed.

State fire marshals are investigating two fires at Granville, O. One was in the Perry building and the other in the Hut restaurant. Incendiarism is suspected in connection with the latter.

There has just been unearthed in Norwalk, O., an ordinance which makes it unlawful to smoke, operate a heating plant or have acetylene headlights burning in a garage. The discovery was made while the city ordinances were being recodified.

Fire caused a loss of \$23,600 in the plant of the Berry-Bond Glass Company in Columbus last week. An explosion in a gas engine caused the fire. The loss is partly covered by insurance. Promptness of a night watchman in sending in the alarm prevented a larger loss.

A fire in a three-story building at Granville, O., caused a loss of \$5,000. The fire broke out in the night and the volunteer fire department worked for two hours. Among the losers in the fire were Ira E. Perry, grocer; Chris Evans, restaurant; Center Star Masonic Lodge,

AGENT'S KNOWLEDGE BINDING

Ohio Supreme Court Holds Against Company in Case Involving Incumbency on Farm Property

In Hartford Fire vs. Glass, Supreme Court of Ohio, 158 N. E. 93, the insurance company issued a fire policy covering a farm house, barn, household furniture and farm implements. The policy contained a provision that it should be void if the property became incumbered without the consent of the insurance company.

At the time this policy was issued, it appears that a portion of the personal property covered by the policy was incumbered by a chattel mortgage. The local agent of the insurance company had knowledge of this fact, but no indorsement permitting the mortgage was made on the policy.

A loss occurred and the insurance

company denied liability on the ground that the policy had been violated in respect to the incumbency. The insured brought suit, and recovered a judgment in the lower court. On appeal the higher court in reviewing the record, and in holding that the knowledge of the local agent bound the company, said:

Lower Court Affirmed

"The principal question presented in this case is whether the existence of a chattel mortgage upon a portion of the personal property covered by this insurance policy wholly relieves the insurance company from liability thereunder, when in fact the agent of the company who procured the insurance prior to and at the time of the issuance of the policy had full knowledge respecting such incumbency, but failed to have consent thereto indorsed upon the policy.

"Substantially the same question was considered and decided by this court in the case of Foster vs. Scottish Union & National, 101 Ohio St. 180, 127 N. E. 863, and that decision, unless it is to be overruled, requires an affirmation of the judgment of the Court of Appeals. *** "Judgment affirmed."

CENTRAL WESTERN STATES

COMMENT ON OIL HAZARDS

National Inspection Co. Has Made Report on the Effect of Evils at Saginaw

The National Inspection Company of Chicago has sent out a special report on the oil field development in Saginaw, Mich. This development started about two years ago. The inspection company says that the present indications are that the field will have a long life, but production will continue to be limited. Its conclusions as to the Saginaw field are as follows:

"Considerable has been said and written regarding this field. Much of the comment that has come to our attention is such as might arouse an element of uncertainty—even alarm—in the mind of an underwriter. To the inexperienced or to one not possessed of the perspective gained by association with producers in the older and more fully developed high-yield fields, the Saginaw situation might prove disquieting. We believe there is no adequate reason for general concern.

Authorities Alive to Situation

"Undeniably, improvement is requisite in numerous instances and in varied directions, but individual enterprises are generally very small and, collectively, production is limited, so that consideration should be specific rather than general. The entire output of the field is equivalent to that of one fair well in the more important producing areas, and many wells exceed this. We feel that the authorities are now alive to the situation and are taking such measures as will more properly safeguard the fire hazard. The conflagration feature is not prominent, and encroachment on the business district has not sufficiently developed, but this might bear watching. Operations in this end are limited, and arrangements fair to good. The disappointment evidenced by many well operators offers a basis for an adverse moral hazard, although proportion of burnable invested values is small. Furthermore, the life of the field will probably be long and quality of oil is good.

Underwriting Considerations

"Because of the temporary character and generally crude installations in connection with drilling, we would not care

to write these outfits, and properties within range should bear an adequate exposure charge, which no doubt is already being made by the local rating bureau. The pump houses are very small values, but might be accepted if adequately rated and subject to inspection. The tanks can be insured together with pump houses if, as before said, both measure up to accepted standards. Dwellings in proximity of wells or those using well gas should be ticketed for early inspection, as gas piping and regulators were generally found exposed, of dubious sort, and even leaking. Otherwise we would continue to underwrite as heretofore. Future unexpected or new developments might warrant general apprehension, but the present situation involves individual consideration based on the specific merits of each case."

Would Enjoin Fire Marshal

ANDERSON, IND., Dec. 28.—Mrs. Edna Runyan, milliner, has filed suit in circuit court seeking an injunction to prevent the state fire marshal enforcing an order to owners of a frame building in the business district to raze it. C. G. Alford, fire chief, reported the building was a fire hazard. Mrs. Runyan is one of the tenants of the building.

Gets Out Membership List

Secretary Shirley E. Moisant has gotten out in printed form the constitution and by-laws of the Illinois Association of Insurance Agents together with its entire membership and list of officers.

Adjuster in New Offices

W. A. Gibson, adjuster, formerly of 1002 Cadillac Square building, Detroit, has moved his offices to 1305 Cadillac Square building, where his organization will be known as W. A. Gibson Co.

Mr. Gibson has been adjusting for companies in the Detroit territory for about 12 years. In the past, he has specialized on automobile and burglary losses and the purpose of his new organization is to extend the service to include fire and inland marine adjustments and special investigations.

Boy Scouts Aid Fire Prevention

GRAND RAPIDS, Dec. 28.—Grand Rapids is to be assisted by boy scouts in turning in fire alarms in the future, according to plans outlined this week to scoutmasters of the city. Under the plan, at least one scout will be assigned to each of the 352 fire boxes in the city and he will be held more or less responsible for turning in alarms whenever

fires break out in the territory. In addition to assigning the alarm boxes to the boys, every scout will be thoroughly grounded in all forms of fire prevention and will be duty-bound to carry on prevention activities at home, in school, and wherever his other contacts lie. The plan is expected to help materially in reducing fire losses.

Arson Arrests Made in Detroit

DETROIT, Dec. 28.—Two arrests on charges of arson have been made by officers here as the outcome of one of the supposed "bombings" of local theaters during the past few weeks. The Tivoli theater was destroyed Nov. 2 by an arson plot, the officers charge, rather than by a bomb planted by a labor terrorist. The men in custody are Joseph Cosco, lessee of the Tivoli, and his nephew, Emilio Tork, who had managed the house.

It is claimed that Cosco was financially involved and that he was to have lost the lease on the Tivoli the day following the explosion. He had insured the equipment.

Dispute Over Shingles

BAY CITY, MICH., Dec. 28.—Illegality of the city ordinance prohibiting the laying of prepared roofing over shingles was established this week by a test case in the circuit court. The roofing manufacturers, who could lay roofing over shingles much more cheaply than they could rebuild the roof after removing the shingles, are understood to have financed the appeal of the case which resulted in upsetting the ordinance.

The court held that the word "prepared" in relation to the roofing mentioned in the ordinance made the piece of legislation discriminatory and therefore void under the constitution. The ordinance might have been made proof against such attacks had all types of roofing been included in the ban, he said in his decision, pointing out that shingles could legally have been laid over shingles while the same treatment of the prepared roofing was prohibited. During trial a number of fire prevention authorities were called as witnesses. Some admitted the superior fireproof qualities of the prepared roofing as compared with shingles but foresaw complications in case a fire started from the inside, while others thought that the reduced cost, bringing about installation of more fire-resisting roofs, would more than counteract the drawbacks inherent in leaving the shingles under the new material.

Consider Oil Well Hazards

SAGINAW, MICH., Dec. 28.—Suggestions of oil well operators will be followed in some instances in completing the draft of the proposed regulatory ordinance being prepared by the city to cope with the various hazards arising out of the oil development within the city limits here. The ordinance is designed to force the use of safety devices for protecting property near the wells and promoting safety of employees. Outside switches, dikes for storage tanks, and other matters of the sort are covered.

Hope to Establish Record

MUSKEGON HEIGHTS, MICH., Dec. 28.—Unless a serious loss occurs during the last few days of the year, Muskegon Heights will finish 1927 with a fire loss amounting to less than 40 cents per capita, according to information disclosed by city officials this week. It is hoped that this showing will land Muskegon Heights a place among the leaders in the 15,000 population class for low fire loss. The total loss for the year to date is but \$5,709. Last year's loss was considered small at \$11,518.

Reciprocal Denies Charges

LANSING, MICH., Dec. 28.—Charges made to the department by other carriers to the effect that the International Insurance Exchange, an embryonic Detroit reciprocal backed by a group of fur farm executives, had been writing automobile and general fire business without authorization, were denied this week when Allen Campbell, attorney for the exchange organization, visited the department offices. It was the reciprocal representative's contention that no actual business had been accepted, although he admitted that the exchange had gone

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

NEAL BASSETT, President

A. H. HASSINGER, Vice President and Secretary

JOHN KAY, Vice President and Treasurer

WELLS T. BASSETT, Vice President and Secretary

JANUARY 1ST, 1927, STATEMENTS

ORGANIZED 1855 FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

ASSETS	LIABILITIES	CAPITAL	NET SURPLUS	SURPLUS POLICYHOLDERS
\$27,602,649.57	\$17,796,927.66	\$5,000,000.00	\$4,805,721.91	\$9,805,721.91

ORGANIZED 1853 THE GIRARD F. & M. INSURANCE CO. OF PHILADELPHIA, PA.

\$5,648,862.17	\$2,938,563.59	\$1,000,000.00	\$1,710,298.58	\$2,710,298.58
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ORGANIZED 1854 MECHANICS INSURANCE CO. OF PHILADELPHIA, PA.

\$4,452,703.00	\$2,748,734.22	\$600,000.00	\$1,103,968.78	\$1,703,968.78
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ORGANIZED 1866 NATIONAL-BEN FRANKLIN FIRE INS. CO. OF PITTSBURGH, PA.

\$4,725,350.94	\$2,702,814.94	\$1,000,000.00	\$1,022,536.00	\$2,022,536.00
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ORGANIZED 1871 SUPERIOR FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$4,600,981.46	\$2,598,996.65	\$1,000,000.00	\$1,001,984.81	\$2,001,984.81
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ORGANIZED 1870 CONCORDIA FIRE INSURANCE CO. OF MILWAUKEE, WIS.

\$5,261,240.09	\$2,942,034.49	\$1,000,000.00	\$1,319,205.60	\$2,319,205.60
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ORGANIZED 1886 CAPITAL FIRE INSURANCE CO. OF CONCORD, N. H.

\$724,764.95	\$733.34	\$300,000.00	\$424,031.61	\$724,031.61
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TOTAL ASSETS
\$53,016,552.18

TOTAL LIABILITIES
\$31,728,804.89

TOTAL NET PREMIUMS
\$25,001,307.09

PHILADELPHIA, PA.
CHICAGO, ILLINOIS
Western Department
844 Rush Street
H. A. CLARK, Manager

CONCORD, N. H.
MILWAUKEE, WIS.
DEPARTMENT OFFICES

PITTSBURGH, PA.
SAN FRANCISCO, CAL.
Pacific Department
60 Sansome Street
W. W. & E. G. POTTER, Managers

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

What YOU Can Do For The Property-Owner

TO use a colloquial phrase—*you*, the agent, *are the doctor*.

It is for the Company that you represent to provide you with all modern forms of dependable property insurance.

But it is for you, the Agent, to consult and advise the individual property-owner as to the best forms of protection for his own conditions.

It is for you, the Agent, to point out to him how his fire-hazards may be reduced and the cost to him of his insurance thereby lessened.

That is why every Alliance Insurance advertisement in The Saturday Evening Post features the Alliance Agent, and directs the property-owner to him. Thus Alliance advertising aids the Agent in building business and prestige.



**THE ALLIANCE
INSURANCE COMPANY**

of PHILADELPHIA

Head Office
1600 Arch Street, Phila., Pa.
209 W. Jackson Blvd., Chicago, Ill.
231 Sansome Street, San Francisco, Cal.
8th fl. Hurt Bldg., Atlanta Ga.

ahead with its organization plans to perhaps too advanced a point without consulting the department and making application for a license.

The plans of the "at cost" carrier to write both automobile and general fire business must also be abandoned if a license is ever to be issued, as the state laws do not permit a single carrier to handle both of these lines.

Distribute New Michigan Code

LANSING, MICH., Dec. 28.—Distribution of copies of the revised Michigan insurance code is being begun by the insurance department following receipt of the books from the state printers. A number of revisions in the insurance laws were made by the 1927 legislature and demand for the amended code has been brisk, according to department officials.

R. E. Miner Married

R. E. Miner of Springfield, Ill., special agent of the Aetna, was married a few days ago and is spending his honeymoon at his old home in Crittenden county, Ky.

American Guaranty Enters Illinois

The American Guaranty of Columbus, O., control of which was recently bought by J. C. Coombs and associates of Chicago, has been licensed in Illinois. The

company already has been writing in Ohio, Indiana and West Virginia.

Indiana Notes

The Coleman B. Pattison Company, a growing Indianapolis local agency, has taken larger quarters at 412 J. F. Wild Building. The agency includes the business of the former James H. Weyer & Co. agency.

Walter Richardt, of the Richardt Insurance Agency, Evansville, Ind., accompanied by his wife and latter's mother, Mrs. I. Menden, motored to Miami, Fla., the past week, where Mrs. Richardt and Mrs. Menden will spend the winter, Mr. Richardt returning after a brief stay in Miami.

Ward Beauchamp, who after serving one term as county auditor at Wabash, Ind., leaves office the first of the year, has bought the insurance department of the defunct Citizens Savings & Trust Company from James Showalter, receiver. Miss Mathilda Hansing, who has been employed in the insurance department of the Citizens bank for years, will continue with Mr. Beauchamp.

Michigan Notes

A \$25,000 loss was sustained at Muskegon, Mich., when the Ransom apartment building was virtually destroyed by fire. In the afternoon of the same day the North Muskegon Methodist Church was destroyed. The church was a frame structure and it was impossible to save the building when the entire basement became a furnace of flame before the blaze was discovered.

STATES OF THE NORTHWEST

INVESTIGATIONS REDUCE LOSS

Deputy Commissioner of Wisconsin Says 10 Per Cent of State's Loss Is of Incendiary Origin

MADISON, WIS., Dec. 28.—About 10 percent of the total fire loss in the state is due to incendiary fires. The primary reason that prompts people to burn property is the securing of fire insurance; the second motive is revenge, according to Joseph Kennedy, deputy insurance commissioner.

"A great volume of these fires that occur are due to over-insurance. If a property is insured for more than it is worth, there is a temptation to burn it," said Mr. Kennedy. "In most of the cases investigated, the individuals were prompted by a desire to collect fire insurance."

In 1926 there were 93 suspicious fires and 17 criminal prosecutions. So far this year there have been 148 investigations and 14 prosecutions.

Department More Active

"The greater number of fires investigated this year is probably because of the greater activity of the department. However, the number of these fires is growing less each year," he declared. "The decrease in the number of fires is no doubt due to the fact that the arrests and convictions, although few in comparison to the number of investigations, have a healthy moral influence on the community, and people who might have otherwise been tempted to burn their own or other people's property are kept from doing it by the example that is set for them."

At present there are five deputy fire marshals employed by the state whose duty it is to investigate these suspicious fires. "The effectiveness of the department depends upon our ability to follow up and ferret out the crimes. If we had a larger force we could save more money for the state. Thus far this year we have saved an estimated amount of \$800,000," Mr. Kennedy advises.

Duluth Merchandise Loss

Fire in the merchandise and notions stock of the Chain Merchandising Company at Duluth caused a loss of between \$45,000 and \$50,000 to building and contents. Fireproof construction of the building prevented the flames from spreading to the LeTourneau Printing Company premises above. The stock of men's furnishings in the basement was badly damaged by water. Both retail and wholesale stock were owned by J. M. Averbook.

ASKS CUT IN FIRE RATES

Milwaukee Mayor Says the Favorable Fire Loss Report Merits a Marked Reduction

MILWAUKEE, Dec. 28.—While fire insurance men here were congratulating themselves on the favorable experience Milwaukee has had so far this year, and holding their breath, hoping that no serious fire would result during the last days of the year, Mayor Hoan came out with a letter last week in which he said Milwaukee is entitled to a material reduction in fire insurance rates, on the basis of the good experience.

The letter was written to Chief Peter Steinkellner of the fire department and the mayor compliments the fire department for having kept this year's fire losses below that of the low record of 1926. "The city has been generous in completely motorizing the department and in furnishing additional houses and equipment," he says in the letter.

"With these improvements, together with your excellent spirit of cooperation you have secured from the members of the department, the fire losses have been reduced to a point where Milwaukee is entitled to a material reduction of fire insurance rates. The per capita fire loss is so far below the average of other large cities that our insurance rates should show a corresponding reduction."

Insurance Men Comment

While the fire insurance men here have not replied to the mayor, they are commenting on his statement among themselves and have advanced a number of arguments against such a reduction.

Chief Steinkellner, in his report to the mayor previous to the latter's letter, estimated that the fire loss for the first eleven months of the year is \$900,000 compared to the loss of \$1,512,000 in 1926.

Consideration of the losses in other cities which Milwaukee must help to bear, just as other cities would help to bear losses in Milwaukee should they occur, is not given by the mayor, and neither does he recognize the fact that rates must be determined over a period of years, the insurance men state. One of them mentioned the fact that in 1921 Milwaukee had almost a loss ratio of 100 percent, to show that this city has had its share of losses which have been carried by other cities.

Rates in Milwaukee now are the lowest of any city in the middle west with the possible exception of Cincinnati.

The city was re-rated and rates reduced 12 to 16 percent as of Jan. 1, 1925, a remarkable reduction.

Call Off Insurance Club Meeting

MINNEAPOLIS, Dec. 28.—The regular meeting of the Insurance Club of Minneapolis, scheduled for Dec. 27, was called off because of the press of holiday festivities and it was decided to make the Jan. 10 meeting an especially good one.

Thief Raids Audit Bureau

MILWAUKEE, Dec. 28.—While the Wisconsin Audit Bureau office staff was holding its annual Christmas party, a sneak thief entered the office and took six purses with about \$50 in them. He was seen in the office at the time but it was thought that he was a window-washer and was not questioned. Members of the office staff presented George Hannan, manager of the bureau, with a gift.

Wisconsin Agent Given Medal

ARCADIA, WIS., Dec. 28.—Michael English, local agent here for 50 years, who has represented the New York Underwriters all that time, received recognition from the company in the form of a Tiffany medal which was presented to him on behalf of the company by Fred Edler, state agent. The following inscription was on the medal: "1877-1927—Presented to Michael English by A. and J. H. Stoddart in recognition of 50 years' of faithful service."

Draft New Duluth Ordinance

DULUTH, MINN., Dec. 28.—Members of the fire prevention committee of the Duluth Chamber of Commerce are engaged in drafting a new ordinance dealing with fire prevention and fire hazards, including the storing and handling of flammable materials. It will provide for stricter regulations governing fire prevention and will endow officials of the city fire department with wider powers in handling cases coming up from time to time. It is expected to be ready for submission to the city commissioners at an early date.

Duluth Board Elects

DULUTH, MINN., Dec. 28.—At the annual meeting of the Duluth Underwriters Association, Charles F. Liscomb

of Michaud-Liscomb was elected president; E. M. Heinzelman of the J. H. Harper agency, vice-president; Ethel Anna Colman of the Colman agency; secretary-treasurer, and P. F. Otis and C. F. How directors. John W. Detert will continue to act as recording secretary.

Whittlesey Trust Company Official

FARGO, N. D., Dec. 28.—C. S. Whittlesey of Fargo, manager of the Western Adjustment, has been named as one of the vice-presidents and a member of the board of directors of the newly formed Security Trust Company of Fargo. The new company will have a paid up capital and surplus of \$110,000 and will do a general savings, trust, investment, surety and title insurance and farm and city loan business. The Security Trust Company will be located in the Security National Bank building and housed jointly in the quarters now occupied by the Security National Bank.

Wisconsin Notes

Ralph Morris of O. S. Morris & Son, local insurance agency at Janesville, Wis., has made a quick recovery from an operation for appendicitis. He was back at the office a week following the operation.

Joseph E. Perry of Florence, Wis., one of the veterans in the ranks of the local insurance agents in Wisconsin, has sold the agency he has operated since 1887 to James Pontbriand. Mr. Perry will retire from active business.

Fire companies in the downtown district of Milwaukee were called to put out a truck fire one day last week which originated from an unique cause, that of the truck running over a box of matches in the street which ignited and set the fire. Damage to the truck amounted to about \$100.

The lower west side of Milwaukee was threatened with a serious fire which might have swept through a wide area last week, when a furniture store at 621 Juneau avenue burned with a complete loss, estimated at \$40,000. Conditions were ideal for a conflagration, but firemen were able to bring the flames under control.

Leon M. Gurda has been appointed city building inspector for Milwaukee by Mayor Daniel W. Hoan, to succeed W. D. Harper. In his letter to Mr. Gurda when he took over the office Mayor Hoan, among other suggestions, urged Mr. Gurda to establish a close cooperation with the city fire department and fire prevention bureau, to the end that fire traps in the city be eliminated.

IN THE MISSOURI VALLEY

KANSAS APPEAL ABOUT READY

State Asks for Inclusion of One Additional Item in Transcript of Rate Case Record

TOPEKA, KAN., Dec. 28.—The record in the Kansas rate case on which the appeal will be taken to the United States Supreme Court is now practically completed. As soon as the companies file their bond for \$200,000 the transcript will be available to perfect the appeal. Judge J. G. Egan, assistant attorney general in charge of the insurance rate litigation, found only one item in the record which the state regarded as important and which had been omitted by the attorneys for the companies in their request for the transcript. That was the abstract of the testimony of the head officials and managers of the stock companies taken in New York at the beginning of the suit.

The testimony showed the uses to which the companies put the earnings from investments and the earnings of the unearned premium accounts. In view of the fact that the Kansas Supreme Court had ruled that the earnings from investments and from the unearned premiums were to be calculated in fixing the reasonableness of rates, the state regarded this evidence as important.

Walter J. Newell Dies

Walter J. Newell, well known local agent of Kansas City, died at his home there last week. Mr. Newell, who was 31 years old, had been ill for seven months, following a nervous breakdown.

He was a prominent tennis player and won the championship of the Missouri Valley tournament in 1923. Mr. Newell had been in the service during the war and never completely recovered from an attack of influenza and pneumonia contracted while at Ellington Flying Field.

Mrs. E. M. Hesse Dead

Mrs. Estelle M. Hesse, aged 49, died suddenly of heart disease at her home in Des Moines Christmas day. She was the wife of Fred O. Hesse, a member of the McKinney-Lantz Insurance Agency of that city. The funeral was held at Hartland, Wis. Before going to Des Moines eight years ago Mr. Hesse was state agent for Wisconsin for the Norwich Union Fire, with headquarters at Hartland, 25 miles from Milwaukee.

New Nebraska Hail Mutual

LINCOLN, NEB., Dec. 28.—Articles of incorporation have been approved by Commissioner Dumont for the Lincoln Hail Insurance Company, a mutual assessment company. The incorporators are Thomas P. Johnson, William B. Linch, Charles P. DeLance, William R. Linch, Frank S. Rowley, Alvin D. Linch, E. A. Pegler, Charles Carr and C. A. Linch. Headquarters will be in Lincoln, where all incorporators, save W. B. Linch, Omaha, and Charles Carr, Cheney, reside. Alvin D. Linch was until recently deputy state treasurer.

Loss on Lincoln Business

LINCOLN, NEB., Dec. 28.—Insurance companies doing business in Lincoln face material loss on 1927 operations, in the opinion of E. C. Folsom, head of one of the city's largest agencies and chairman of the fire prevention committee of the

THE East and West Insurance Company of New Haven, CONNECTICUT

Do you need in your Agency a Company capable of understanding your needs, one willing to help work out your fire insurance problems?

Do you want in your Agency a Company that pursues a stable and consistent underwriting policy year after year?

The East and West is such a Company. It is a valuable addition to any Agency.

Owned by and under the Management of
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Western Department
ROCKFORD, ILLINOIS
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OFFICE SYSTEM **The Rough Notes Co.** INSURANCE SUPPLIES
EVERYTHING FOR THE INSURANCE MAN
CHICAGO, ILL.

Comparative Record of _____ Company during Year _____									
PREMIUMS									
Month	Comp.	Auto	Fire	Marine	Water	Other	Total	Rate	Losses
Jan.									
Feb.									
Mar.									
Apr.									

Agency Comparative Record

A MONTHLY and yearly comparative record of premiums, gross and net; losses; expenses and profit to the company; by companies and for the agency as a whole, is one of the most useful and helpful records the local agency can have.

It furnishes a complete business history of the agency; it establishes its value as a business, and enables the manager to distribute his business intelligently among the companies represented. The new Utility Binder, bound in high grade, heavy-weight Keratol imitation leather, with heavy boards, makes it possible for every agency to have this record in loose leaf form at a remarkably low cost.

Suggestive Outfits and Prices

A complete outfit consists of a Utility Loose-Leaf Binder; Agency Comparative Sheets (as illustrated above); Blank Index Tabs; Monthly and Yearly Summary Sheets.

Prices, Complete Outfits
For 6 Companies.....\$3.40
For 12 Companies.....4.75
For 24 Companies.....7.80

For Sale by

The National Underwriter Co.

1362 Insurance Exchange
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*London guard
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And Now Comes the End of the Year

DO YOU know how your business for the year 1927 will compare with that of 1926? Every insurance man should have these figures at his fingers' tips, for they are his guide to the future. Don't think for a moment that a business that is not growing is standing still, for it isn't—it is slipping back fast. Growth is necessary for any healthy business. To analyze your business is time profitably spent. If you are to build successfully for the future steer your course from the experience of the past.

Most insurance agents whose books do not show the vital necessary increase have lost out because they have not sold the miscellaneous casualty lines or have not represented the right company, or both. Some of the most prosperous and fastest growing agencies in this country are London Guarantee Agencies. Back of the splendid policy contracts of this Company is a service organization that has rightfully earned for the Company the title of "The Super Service Company."

If your business has not grown as you think it should have perhaps the London Guarantee can help you. Write to the Agency Department—you will receive a prompt, typically "Super Service" reply.

*Head Office: 55 Fifth Avenue,
NEW YORK*

C. M. BERGER, United States Manager

*Guarantee
Co. Ltd.*

OUR 1928 SALES DEVELOPMENT PLAN IS COMPLETED

The 1927 sales development material of this Company has been highly complimented and widely used by its agents. In keeping with the progressive policies of the Company, the plan for 1928 is superior to last year's plan.

Fundamentally, the idea back of London Guarantee sales development work is this: "Sales help for London Guarantee agents." With this in mind, aggressive, novel plans are evolved and sales literature prepared that will increase sales activity and the prestige of the agent in his community.

The 1928 Plan will soon be ready for presentation to all of the Company's agents. There are other agents in some territories who could be greatly benefited by using this plan. These agents are invited to write to the Agency Department for details.

"A Staunch and Reliable American Company"



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E. J. BOOTH, Vice-President
F. A. SCHULTE, Treasurer
H. E. EVERETT, Secretary
E. P. WEBB, Asst. Secretary

INSURANCE CO.

47 Years of "Honorable Indemnity"

Assets, \$2,444,162.93

Surplus to Policyholders, \$1,063,644.94

WM. T. BENALLACK, Superintendent of Agents, DETROIT, MICH.

Organized 1867

WHEELING FIRE INSURANCE CO. WHEELING, WEST VIRGINIA

Capital \$200,000.00

Surplus to Policyholders \$380,507.56

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SAFE SOLID SOUND

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TWIN CITY FIRE INSURANCE COMPANY MINNEAPOLIS, MINNESOTA

The Company That Aims to Excel in Service

**FIRE TORNADO FARM
HAIL AUTOMOBILE TRACTOR**

The Answer to your {and in Record Problems {one book!

THE answer to your prayer—an insurance bookkeeping system requiring no knowledge of bookkeeping, a minimum of time to keep all in ONE BOOK. Such is the UTILITY. No other system is as complete, efficient and low-priced! Answers all your and your clients' questions in a moment's time.

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How many customers have I and when did they last take insurance?

A COMPLETE INSURANCE BOOKKEEPING SYSTEM

Answers All Questions
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Only \$15.70 Complete
EXAMINE THIS
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How much do they owe or have they paid?

How much money have I received today, this month or last year?

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Such questions as these—vital ones to the live, growing agent—are answered quickly and accurately by the UTILITY. Think of it! Every record needed in your business in a Single Book!

At your finger tips a picture of your entire business—income—expense—where policies are placed—and policyholders' information.

You must see the outfit to appreciate its class and value to you. Send the coupon below for this complete outfit—on approval.

Here is what Messrs. Steele, Powell & Horton of Binghamton, N. Y., say:

"Your forms are set up in splendid shape and clearly indicate that you have a complete knowledge of just what is needed in keeping an accurate record of the transactions of an insurance agency without involving unnecessary duplication of effort."

Accurate Loose Leaf Co.
81 NASSAU ST.
NEW YORK CITY

Accurate Loose Leaf Co., 81 Nassau Street, New York City, N. Y.
Gentlemen: With the understanding that there is no obligation to purchase please send me the Utility Bookkeeping System on three days' approval. If I decide to keep the System I will send you the check for \$15.70 to cover the entire cost. If I decide not to keep it I will return the System immediately.

Name.....
Street.....
City.....State.....

chamber of commerce. While no detailed report from Chief Hansen is yet available, figures secured by Mr. Folsom from the department books indicate that the loss for the year will reach close to \$500,000, and this will represent very nearly the contributions of the insurance companies. Three of the big fires were in January and three in December, and each one was fully covered by insurance.

File Subrogation Suits

Subrogation suits have been filed at Adel, Ia., by the Great American & Dubuque Fire & Marine against the Iowa Railway & Electric Corporation to recover for insurance paid on losses in a fire at Perry, Ia., Jan. 9, 1927. It is alleged that the fire was caused by defective wiring and this was due to the negligence of the Electric company.

Inspection of Minden, Neb.

The Nebraska State Fire Prevention Association will inspect Minden Jan. 25, under the auspices of the Chamber of Commerce.

Blue Goose Aids Needy

KANSAS CITY, MO., Dec. 28.—The Heart of America Blue Goose adopted two needy Kansas City families for Christmas and divided \$100 between them in providing necessities such as clothing, food and coal if necessary. For the children inexpensive toys were included, but the money was spent for practical things for the most part. One hundred members participated, each giving a dollar toward the fund. This is a custom followed by the Kansas City field men, who last year took care of some families in the Ozarks.

The next meeting of the pond will be on Jan. 9, the regular Monday luncheon.

Insurance Men Convention Aides

KANSAS CITY, MO., Dec. 28.—Committees to handle the Republican national

convention when it is held in Kansas City in June have been appointed and insurance men are prominent in the list. Among those who will act in various official capacities are Homer B. Mann, Fred W. Fleming, W. T. Grant, Arthur M. Hyde, Lyle Stephenson, W. Frank Gentry, Thomas McGee and William A. Osgood.

Iowa Notes

Elkhorn, Ia., is about to purchase a new fire truck. The sum of \$300 has been given for this purpose by the Danish Mutual Fire and the balance is to be raised by local residents.

Fire, which raged for eight hours, destroyed the Cooper Manufacturing Company plant in Marshalltown, Ia., with a loss estimated at from \$75,000 to \$100,000. Firemen struggled mainly to keep the blaze from spreading as the fire had gained great headway when discovered.

The Rex Agency, 217 Trimble building, Sioux City, Ia., has been incorporated with E. A. Arndt, vice-president of the Karikeen Manufacturing Company; Carl Savonell, sewer contractor; M. H. Mammen, cashier of the Farmers & Merchants Bank, and W. A. Patton, real estate dealer, as owners.

Announcement has been made of the engagement and approaching marriage of Miss Susan Elizabeth White, daughter of Mr. and Mrs. Fred Jay White of Estherville, Ia., to Gilbert Stiles Avery, Jr., son of Mr. and Mrs. G. S. Avery of Mason City, and a member of the G. S. Avery & Son agency of that city. The wedding will take place Jan. 12.

An overheated furnace was given as the cause for the fire which gutted the Otis Lumber Company of Boone, Ia., practically destroyed the P. T. Nelson Lumber Company, damaged the Chicago & Northwestern Railroad station and destroyed railroad equipment with a total value of more than \$100,000. The fire was the most disastrous in the last five years in Boone.

Missouri Notes

Thomas S. Ridge, Jr., manager of the Ridge Insurance agency, has been elected president of the Lions Club of Kansas City.

STATES OF THE SOUTHWEST

NEEDS ADEQUATE EQUIPMENT

San Angelo, Tex., Has Not Kept Its Fire Fighting Facilities Up to Date

San Angelo, Tex., having doubled its growth since 1922, has enjoyed a good fire record credit of 9 to 15 percent until 1924, the town is now penalized 15 percent by reason of a very severe fire each of the last three years. A fire limit ordinance is in force within a restricted area in the business district but there is no building code and the restriction in the fire limits is confined to the exclusion of frame construction. The streets within the fire limits are paved and the city is now bonded for extensive paving in the residential districts.

The fire department is inadequate and there is no modern fire alarm telegraph system.

The waterworks furnishes a reliable source of supply on a direct pressure system. Additional hydrants at not more than 300 feet intervals in the business section and 500 feet in the residence portions are needed badly. If much-needed repairs, replacements and additions are not made soon, the continued rapid growth in population and large amount of new poor construction will afford the companies a grave fire hazard with a conflagration a constant threat.

Burton Addresses Progressive Club

GALVESTON, TEX., Dec. 28.—Fred M. Burton, president of the Texas Association of Insurance Agents, was the chief speaker at the meeting of the Progressive Club last week. He told the members the insurance business is one of the most interesting and fascinating of life's work. It is interesting because it is more than sitting at a desk all day. It deals with the problems of life. One of the things urged at the meeting by Mr. Burton was getting away from the "single track" idea and interesting oneself in more than one line. He said it is easy to sell tornado insurance after a storm, or fire insurance after a big

fire, but that the insurance agent should familiarize himself with the business and go out and sell protection because it protects and because the people need it.

Plan for Regional Meetings

DALLAS, Dec. 28.—A meeting of the board of directors of the Texas Association of Insurance Agents will be held in Dallas Jan. 4, which meeting will precede the five regional meetings to be held at Tyler, Jan. 6; Mineral Wells, Jan. 13; Amarillo, Jan. 23; and El Paso, Jan. 27.

Arkansas Monastery Burns

The Abbey, home of the Benedictine Fathers at Subiaco, Ark., was destroyed by fire last week with loss which will run more than \$1,000,000. The monastery, founded in 1878, was on a mountain about 50 miles from Fort Smith, and fire apparatus rushed from the town could make little headway against the blaze which had started in the basement. Only a small part of the valuable library was saved and only a portion of one wing of the building can be repaired, while the rest of the structure must be rebuilt.

Plan New Dallas Fire Station

DALLAS, Dec. 28.—The \$350,000 voted last week by Dallas for a new, central fire station, plans for which are maturing rapidly, will aid in removing 3 percent penalty now attaching for bad fire record and probably insure a lowered key rate as well. Plans drawn show two buildings with the appearance of one, but with automatic control signal system housed in a separate structure, separated by soundproof and fireproof walls from the station. This system has been urgently advised by the National Board and its installation will bring Dallas into the Class A group of cities.

Braniff's Christmas Party

OKLAHOMA CITY, Dec. 28.—With some employees having a record of 12½ years with the company and many with more than 8½ years, the T. E. Braniff Company held its Christmas party in the agents' assembly room Saturday morning. With T. E. Braniff as master of ceremonies and Phil Braniff as Santa Claus, the party was a success from the

beginning. There was a bonus and gift for all employees and members of their families, who were special guests.

C. P. Bruce Critically Ill

OKLAHOMA CITY, Dec. 28.—C. P. Bruce, manager of the Texas branch of the Bates Adjustment Company, is reported seriously ill. Little or no hope is held out for his recovery following a stroke of apoplexy which he suffered last week. He had previously been troubled with high blood pressure and heart trouble, according to Norman Nelson, Oklahoma manager of the company.

Presentation to Truelove

OKLAHOMA CITY, Dec. 28.—James Truelove, retiring state agent of the Norwich Union in Oklahoma, was presented with a set of golf clubs by the local Blue Goose. Mr. Truelove has been appointed special agent for the Continental in the Amarillo, Tex., territory. Ray L. Maxwell, formerly with the Commercial Union, will succeed him with the Norwich Union here.

Oklahoma Notes

Ed. M. Pearson of the Aetna Fire in Hartford, Conn.

Roy Eblen, president of the Central States Fire, Wichita, Kan., spent several days last week in Oklahoma City.

C. H. Nelson of the Bates Adjustment Company, Oklahoma City, spent the Christmas holidays with his mother in Ardmore, Okla. He was accompanied by his family.

Fire in the heart of the business district of Ardmore, Okla., Sunday caused damage of \$60,000 to three one-story buildings and their contents and threatened the largest business block in the city.

Tom Burrows of the Bates Adjustment Company, Oklahoma City, has returned from a vacation spent with his mother in Kentucky. Before returning home Mr. Burrows made a business trip to New York.

November fire loss in Oklahoma City was reported as \$9,324 by Fire Chief

George Goff. The loss was listed at \$5,035 on buildings and \$4,287 on contents. Property endangered by fire during the month was estimated at \$531,200.

Texas Notes

During the last school week of the year Boeville and McKinney, Tex., had two fires which entailed heavy losses. The Higgins school at McKinney was a total loss.

Tom P. Ellis of Ellis & Smith, Dallas local agents, and E. M. Belcher of the casualty department of that agency have returned from a deer hunt south of Uvalde, Tex., on which they had excellent luck.

Damage estimated at \$25,000 was done early Friday when fire destroyed the Nederland Pharmacy at Nederland, Tex., and damaged two adjoining buildings. Trucks from Port Arthur assisted in extinguishing the blaze.

Fire of undetermined origin last week destroyed Kidd Brothers Cafe in the heart of the downtown business section of Tyler, Tex., with loss of \$20,000 to the building and contents and scattered damages to neighboring buildings.

Damage of more than \$45,000 has been reported during the week from farm losses in Texas with three residences contributing \$15,000 and four barns adding \$22,000 more, with numerous smaller blazes scattered throughout the state.

While ginning cotton fire broke out in the press of the Farmers Gin Company at Kerens, Tex., destroying the press, a cleaner and doing other damage of more than \$5,000, covered by insurance. This is the second bad gin fire Kerens has had.

Galveston is to have a new fire boat. At an election a few days ago it was decided to issue bonds for \$200,000 for a new boat. The city has a big fire boat and it is possible that this craft will be disposed of in a deal for a modern fire fighting ship.

Arkansas Notes

Fire believed to be of incendiary origin damaged the Wright Theater at Gurdon, Ark., \$10,000 or more. One man was arrested in connection with the burning, and police found a letter threatening destruction of the home of the owner. This theater has been the scene of two fires and a bombing in the past.

IN THE SOUTHERN STATES

NEW RICHMOND BANK AGENCY

Firemen's of Newark Plants With Recently Organized Insurance Department of Guaranty Trust

RICHMOND, VA., Dec. 28.—The Firemen's of Newark has planted with the Guaranty Trust Company of Richmond, which has just opened an insurance department in charge of Stuart K. Frayser, formerly manager of the insurance department of Elam & Funsten of this city, sole agents for the Queen. This makes the second agency connection of the Firemen's in Richmond. For several years it has been in the office of Paul L. Ruehrmund.

Upon learning of the action of the Firemen's in planting with the Guaranty Trust Company, the Richmond local board appointed a committee to confer with Neal Bassett, president of the company, and protest against such action on the ground that it is in violation of the rule of the National Association of Insurance Agents with respect to appointment of bank agencies and also of the board's dual agency rule. The committee hopes to be able to see Mr. Bassett in regard to the matter in the near future.

The manager of the trust company's insurance department was a clerk in the Virginia Inspection & Rating Bureau before going with Elam & Funsten a few years ago.

May Test Louisiana Law

It is reported that attorneys representing the fire companies, operating in Louisiana and members of the Louisiana Rating & Fire Prevention Bureau have filed petition for a court order directing the insurance commission to show cause on Jan. 3 why a preliminary injunction should not be issued restraining the commission from collecting any money

from the rating bureau. This is the first step in the companies' proposed test of the constitutionality of the law that created the commission.

Insurance Day Advocated

The idea of an annual Tennessee all insurance day was suggested by Miss Julia Hindman, secretary of the Tennessee Association of Insurance Agents, at a meeting of the Nashville Association of Life Underwriters last week.

The idea suggested is to have representatives of every line of insurance assemble for the discussion of problems and for the promotion of good fellowship.

Given Silver Plaque

A silver plaque bearing the inscription "Smith T. Bailey, from the citizens of Louisville in commemoration of his splendid civic work and unflinching protection of the best interests of Louisville, Dec. 19, 1927," was presented to Mr. Bailey, a member of the Bailey-Stewart Wolff agency, last week. The award was given Mr. Bailey by the Round Table in appreciation of his civic work since 1883.

Will Inspect Richmond, Ky.

Sponsored by the Chamber of Commerce, an inspection will be made of Richmond, Jan. 19, by the Kentucky State Fire Prevention Association.

Fires in Kentucky

At Lexington, Ky., last week, a fire damaged the building and contents of the Lexington Cadillac Co. to the extent of \$100,000. At least a dozen new automobiles were destroyed.

An extensive fire wiped out the major portion of the business district of Blackey, Ky., last week. The fire loss is estimated between \$225,000 and \$250,000, with only a small part covered by insurance.

At Stanley, Ky., last week a fire destroyed three stores and two residences, with a damage of \$50,000. Help to put

Better Service to your clients when you use The COMBINATION AUTOMOBILE INSURANCE MANUAL



The only manual that is complete

COMPLETE—Rules, rates and instructions for all coverages applicable to automobiles of all types.

CONVENIENT—All necessary underwriting information in a single volume. Handy for desk or pocket use. Looseleaf pages easily and quickly changed.

TIMELY—Revised pages showing new data and changes are issued, not periodically, but promptly as announced, thus assuring that information is always up-to-date.

COMPREHENSIVE—All possible requirements immediately and easily available: Rates, List Prices, Current Values, Serial and Engine Numbers, memorandum, application and quotation blanks, etc.

EFFICIENT—Simplified Direct Quotation Tables show at a glance rates for Public Liability, Property Damage, Collision, Fire and Theft for all cars in general use.

ATTRACTIVE—Pleasing and Dignified in appearance. Has the substantial aspect of the bound book and the flexibility of the loose-leaf.

DURABLE—Will not become soiled-looking and "dog-eared." Constructed to withstand unusually hard and constant service.

ECONOMICAL—Worth while savings effected in time and effort and at nominal cost.

Quotations gladly submitted upon request, stating quantity required and district covered.

AUTOMOTIVE SERVICE BUREAU
210 South Hanover Street Baltimore, Maryland

The LIBERTY HOME OFFICE DAYTON, OHIO INSURANCE COMPANY

Automobile Insurance—Full Coverage—All in One Policy
Plate Glass, Liability and Accident Insurance
Capital Stock \$250,000—Assets Over One Million
Surplus to Policyholders Over Half Million

Agents wanted in Ohio, Missouri, Kentucky, Michigan, Tennessee, Kansas, Indiana, Alabama and Florida.

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FIRE REINSURANCE TREATIES

Eagle Fire Insurance Company
(NEW JERSEY)

Baltica Insurance Co., Ltd.
(DENMARK)

Franklin W. Fort

Thomas B. Donaldson

18 WASHINGTON PLACE, NEWARK, N. J.

National Inspection Company

Incorporated 1903

This corporation reports on the underwriting aspects of heavy manufacturing and mercantile properties throughout the following states:

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Wisconsin
Minnesota
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Indiana
Illinois
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Nebraska
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Kansas
Kentucky
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H. B. Chrissinger
176 West Adams St., Chicago, Ill.

R. L. Thiele

out the fire had to be secured from Owensboro, ten miles away.

Virginia Notes

Purcellville, Va., is planning to install a waterworks system to insure better fire protection.

Fire last week destroyed a portion of a business block at Damascus, Va., entailing a loss estimated to be in excess of \$100,000. Insurance involved totaled \$60,000, with \$40,000 in mutuals and \$20,000 in stocks.

Drury P. Malone, of the home office of the North America, formerly Virginia special agent for that company, spent the Christmas holidays in Richmond renewing old acquaintances. Mrs. Malone accompanied him on the trip.

Col. James M. Young, special agent in Virginia, West Virginia and North Carolina for the Georgia Home with Richmond headquarters, is the guest during the holidays of his brother, Hugh W. Young, manager of the Louisville office of the Southern Adjustment Bureau.

Authorizing it to conduct a real estate and insurance agency business, a charter has been granted the Securities Insurance Corporation of Roanoke, maximum capital being limited to \$100,000 and minimum to \$50,000. Officers are Francis R. Porter, president; C. L. Guerrant, vice-president, and Hugh C. Penn, secretary, all of Roanoke.

A four-story grain elevator burned last week at Lebanon, Tenn. The loss is estimated at several thousand dollars, partly covered by insurance.

PACIFIC COAST

ANOTHER COMPANY IN FIGHT

Republic of Texas Will Follow Stand of Northwestern National in California Dispute

SAN FRANCISCO, Dec. 28.—California local agents have a second non-board company to fight in their campaign against the establishment of bank agencies, particularly with the Bank of Italy's branches throughout the state, it became known this week when President I. Jalonick of the Republic of Texas admitted that his company would follow in this respect in the footsteps of the Northwestern National.

The various local agents throughout the state are taking the matter up in their respective communities, organizing where no local association functioned before, and are enlisting the support of the business men and citizens.

"The fight has just started," said a prominent local agent visiting San Francisco the other day. "We intend to carry this through and have engaged the best legal talent in the state to assist us. We understand that the life agents are standing the brunt of this unfair competition in southern California and are getting ready to join in the campaign, acting individually which will mean that the life insurance business will slump in this state unless the companies emphatically declare themselves opposed to the methods being employed by the Bank of Italy."

Last week the local agents of Martinez, Calif., met to discuss the subject, "The Menace of the Bank of Italy." At the meeting the members took individual action on a proposal made to the effect that they would not deal with banks competing with them in the insurance business.

Dodds Succeeds Barraud

Resignation of William K. Barraud as secretary of the Pacific Coast Adjustment Bureau and the appointment of D. P. Dodds to succeed him is announced by William K. Withers, general agent.

Addresses Seattle Exchange

SEATTLE, WASH., Dec. 28.—At the final meeting of the year the Seattle Insurance Exchange was addressed by Paul J. Braun of the Washington Surveying & Rating Bureau, who chose as his topic, "The Standard Hose Coupling."

Logging Pool Successful

A trade profit of approximately 25 percent resulted from the 1927 opera-

tions of the Logging Insurance Underwriters' Association, the pool of 95 fire companies writing felled timber, logging equipment and logging railroads in Oregon and Washington, it was announced at the annual meeting. Premiums in 1927 were approximately \$234,000, with a loss ratio of 55 percent and an acquisition cost of 20 percent. The later figure includes all expenses, including inspections and collections. In 1926, the first year of operation, the logging association had a premium income of \$280,000 and a loss ratio of 125 percent.

It was voted to change the name to the Logging Underwriting & Inspection Association. The committee which has managed the association the past year

was reelected. The committee follows: W. H. Gibbons, chairman; C. L. King, Frank L. Hunter, R. H. Griffith, T. J. Craig, George O. Hoadley and E. G. Potter.

Coast Notes

McClure Kelly, Pacific Coast manager of the North America, is spending the holidays in southern California.

The Insurance Federation of California will move Jan. 1 to 803 Insurance Exchange Building. The offices are at present on the seventh floor.

H. J. Maginnity, secretary of the Insurance Brokers Exchange of San Francisco since February, 1926, has resigned. He has made no announcement as to his plans for the future.

NEWS FROM EASTERN FIELD

ISSUES WARNING STATEMENT

Commissioner Monk Sends Notices to Companies Regarding Filing of Annual Reports in Massachusetts

BOSTON, Dec. 28.—Commissioner Wesley E. Monk has sent out a warning to the companies relative to filing of annual statements in Massachusetts which reads as follows:

"Section 15 of chapter 175 of the Massachusetts general laws provides that the commissioner 'shall annually, in December, furnish each company two or more blanks in form adapted for its annual statement.'"

"Section 25 of said chapter requires that 'every company shall annually, on or before March 1, file with the commissioner a statement showing its financial condition on Dec. 31 of the previous year, and its business of that year'; also that 'such annual statement shall be in the form required by the commissioner.'"

No Authority to Extend Time

"Section 26 thereof states that 'a company neglecting to make and file its annual statement in the form and within the time provided by the preceding section shall forfeit \$100 for each day during which such neglect continues, and upon notice by the commissioner to that effect, its authority to do new business shall cease while such default continues.'"

"The statutes do not authorize the commissioner to extend the time for filing annual statements nor to accept any other than one made on the attached form, which is the form required by him and adapted for the company's annual statement. The law is mandatory and you are hereby notified that for infractions thereof the penalty provided therein will be exacted."

American Central's Plans

NEW YORK, Dec. 28.—Formal announcement is made by the management of the American Central that on and after Jan. 1 all New England business of the company will be reported through its office in this city. To facilitate supervision of the business in the territory under the new arrangement the following appointments have been determined upon: W. B. Burchell, as general agent, with headquarters in New York City; Simpson, Campbell & Co., agents for the Boston metropolitan district; W. T. Furness, Boston, general agent to supervise the Boston metropolitan field; E. T. Campbell, special agent with jurisdiction over Connecticut, Rhode Island and Massachusetts, outside the Boston metropolitan district; H. C. Allen, special agent for Maine, and D. B. Sherwood, special agent for New Hampshire and Vermont. Mr. Campbell will travel out of Boston, Mr. Allen from Portland and Mr. Sherwood from Manchester.

Confer on Boston Commissions

BOSTON, Dec. 28.—A meeting between the Boston committee of the Eastern Underwriters Association and a special committee of the Boston Board

has been arranged by Chairman Nevett S. Bartow of the E. U. A. committee to take place in Boston Jan. 5. At this meeting an attempt will be made to come to an agreement on a readjustment of local commissions, which matter has been under consideration for most of the year.

The E. U. A. has already voted a 20-25-30 percent scale for business written in Boston proper, but the scale for the outskirts of the city and the metropolitan district remains to be fixed.

Maine Association's New Secretary

AUGUSTA, ME., Dec. 28.—The Maine Association of Insurance Agents has elected C. Waldo Lovejoy of Rumford, Me., as secretary to succeed Leon W. Helson of Portland, who has found it necessary to resign from that position.

Security Insurance Club

NEW HAVEN, CONN., Dec. 28.—G. F. Stratton, New England manager of the General Adjustment Bureau in Boston, spoke before the Security Insurance Club at the home office of the Security last week on "Fire Loss Adjustments." President Louis A. Strong presided. The next meeting will be held Jan. 10, at which time Sydney Lyons of Hinks Brothers & Co. will speak on "Correspondence."

Travelers Joins D. C. Association

The Travelers Fire has been admitted to membership in the Underwriters Association of the District of Columbia. Negotiations for membership have been pending for several months.

Three Boston Offices Consolidate

The Boston, Mass., offices of Robert A. Boit & Co., H. R. Dalton and the Boston office of F. C. Church & Co. have been consolidated. The new firm will be known as Boit, Dalton & Church. The partners in the firm will be Charles H. Wilson, Walter S. Gierasch, Henry L. Dalton, F. C. Church and F. C. Church, Jr. The offices will be at 40 Kilby street. The Lowell, Mass., office of F. C. Church & Co. is not included in the arrangement. Among the companies the combination will represent are the Commercial Union, the National of Hartford, the Scottish Union & National and the Commonwealth of New York.

New England Notes

Hollis, Perrin & Kirkpatrick have been appointed agents for Boston and the metropolitan district of the Albany.

Allen, Russell & Allen, one of the oldest insurance agencies in Hartford, now located at 50 Lewis street, have purchased property at 31-33 Lewis street, where they will build a two-story office building to be entirely occupied by their firm. The building will be started very soon and they expect to occupy it by next fall.

William Chapin, associated for the past eight years with the T. D. Faulkner agency of Hartford, which has the general agency for the Metropolitan Casualty, is resigning as of Jan. 15 to become associated with the new office of Fred Williams, newly appointed general agent for the World Fire & Marine and the Century Indemnity.

Manuel Gomes, a real estate and insurance agent of Lowell, Mass., was arrested by state and local police on the charge of having failed to make payment to the Norwich Union Fire, through its Boston office, of premiums amounting to \$540, alleged to have been collected by him as agent for the company. He was arraigned on a charge of larceny.

NEWS FROM CANADA

CELEBRATE 10TH ANNIVERSARY

Need for Closer Cooperation Between Fire and Casualty Interests Stressed at Toronto

TORONTO, ONT., Dec. 28.—The annual meeting of the Toronto Insurance Conference celebrated the tenth anniversary since its organization. W. R. Houghton of the London & Lancashire presided, and outlined in an address the history and the objects of the conference, stressing the fact that its purpose was to bring about better cooperation in the insurance business.

Other speakers included V. Evan Gray, chairman of the Canadian Casualty Underwriters Association, and Lewis Laing of the Liverpool & London & Globe. Need for greater cooperation between the companies and agents was emphasized. Representatives of all the larger indemnity and fire companies of the Dominion were present at the conference.

C. F. U. A. Semi-Annual Meeting

At the semi-annual meeting of the Canadian Fire Underwriters Association, in Toronto, there was a large attendance of members, some of them coming from the States. Among the questions considered by the meeting was that of increasing the fee for agents' licenses, on which no action was taken, while the question of dealing with defaulting and delinquent agents was also discussed.

Canadian Losses Compared

According to the "Monetary Times," fire losses in Canada for the week ending Dec. 14 are estimated at \$572,750, as compared with \$475,050 for the corresponding week of last year.

Jury Recommends Sprinklers

QUEBEC, Dec. 28.—The jury at the coroner's inquest into the deaths of the Quebec Orphanage children returned a verdict of accidental death and added a rider that "all such buildings be equipped with automatic sprinklers and fire escapes."

Canadian Indemnity Increases Capital

The Canadian Indemnity of Winnipeg, in view of its rapid development, has decided to increase its paid-up capital from \$300,000 to \$500,000, by giving the shareholders the right to subscribe for two additional shares for every three held. In 1912 this company only wrote hail business, subsequently adding fire, automobile, casualty and other lines. From an annual premium income of \$87,824 in 1913, it has risen to over \$1,000,000 in 1927, and its business is extending both east and west.

Canadian Notes

W. E. Young of Toronto has been appointed a director of the British North-western Fire.

F. W. Kiefer, wielder of the goose quill for the Manitoba pond, has been appointed a member of the entertainment committee of the Blue Goose for the coming year.

The resignation of Fire Chief Buchanan of Winnipeg has been deferred for three months, and will not take place till the end of March. The resignation was to have taken effect Jan. 1, but owing to such short notice having been given, the chief agreed to extend his services to the end of March.

A blow torch in the hands of a workman ignited gas in the garage of the Wetaskiwin Motor Sales Co., Wetaskiwin, Alta., and as a result damage estimated at \$40,000 was done to the building and contents. There were some 20 cars in the building at the time, 14 of which were owned by the company.

Fire Waste Contest Entries

Following are the most recent entries in the Inter-Chamber Fire Waste Contest conducted by the National Fire Waste Council, under the auspices of the Chamber of Commerce of the United States: Glens Falls, N. Y.; Chelsea, Mass.; and Perrytown, Tex.

MOTOR INSURANCE NEWS

AUTOMOBILE PREMIUMS DROP

Income for 1927 Expected to Be Smaller Than That for 1926—Fewer Car Sales Cause

NEW YORK, Dec. 27.—Premiums obtained by the fire companies on their automobile business in 1927, it is anticipated, will be somewhat less than those received last year, a condition attributed to the falling off in the purchase of cars. Many prospective buyers held off for months awaiting the new Ford offerings. The loss experience, it is expected, will show some improvement, the gain being largely in the matter of thefts, which are always fewer in open weather than when the winter season sets in early.

Thefts by professional crooks are always counted upon, the excess beyond these being charged to moral hazard. Irresponsible car owners are inclined to "sell" their automobiles to the insurance companies when long continued inclement weather means inability to use the machines and the continued payment of housing charges thereon. If the moral hazard could be eliminated from the business, underwriters hold, present rates could be reduced by at least 50 percent.

NEW USED CAR ANGLE SEEN

Latest Ford Models Expected to Provide Much Competition for Sellers of Second-Hand Automobiles

Interesting to automobile underwriters is the new angle in the used car selling field seen by "Auto-Graph," organ of the America Fore companies. The December issue of this bulletin says:

"Every used car selling for less than \$1,000 (and this probably includes 95 percent of the available supply) must face the competition of the new model Fords. A prospective buyer no longer has to figure on a fairly large expenditure for equipment if he buys a new model Ford, for they are equipped with practically everything except bumpers. Neither will the buyer face a sacrifice in appearance if the general public likes the new model Fords as well as first reports indicate. Consequently the used car which today sells for anywhere near the price of a new Ford model must take a price reduction sufficient to lure the purchaser away from the attractions of the new Ford.

General Price Reduction Seen

"With such a drop in the resale value of all used cars selling for \$700 or less, it seems inevitable that used cars all along the line must suffer a similar reduction. Perhaps the car now selling for \$1,500 or more will not feel any direct effect of the competition, but it is bound to be indirectly reflected in a lowering of values for all used cars. This situation means that agents and company underwriters must now be more careful than ever before in fixing the amount of insurance to be carried on used cars, especially the lower priced group."

To Confer on Collision Rates

NEW YORK, Dec. 28.—In an effort to agree on automobile collision rates to be charged throughout the western territory during next year, representatives of the National Bureau of Casualty & Surety Underwriters will hold a joint conference with representatives of the Western Automobile Underwriters Conference in Chicago, early in January, the exact date to be determined later. Tariffs for this form of coverage have already been fixed for the balance of the country, and these will appear in the

new rate manual which is to be issued some time in February.

Should Lock Cars

BALTIMORE, Dec. 28.—If owners took the precaution to lock their cars before being left parked on the streets 90 percent of the automobile thefts in Baltimore each day could be prevented, according to Charles D. Gaither, police commissioner.

Commissioner Gaither said that if every motor vehicle were equipped with a real theft-proof device and the owner saw to it that the device was locked when he left the car unattended, automobile thefts would be reduced to a minimum. As an illustration, police say that approximately 75 percent of the machines reported stolen in Baltimore this year had only ignition locks.

"If a motorist owning a closed car puts up the windows and locks the doors before leaving, he has little worry that his property will be stolen during his absence," said the commissioner. "Auto-jacks are not going to run a chance of detection by breaking the glass windows in their attempt to enter the machine."

McKee Heads Indiana Reciprocal

W. E. McKee, treasurer of the State Automobile, Indianapolis reciprocal, since its organization in 1917, was elected president of the organization to succeed James M. Dalrymple, who died recently, at a meeting of the directors of the association, Dec. 23. Other officers elected were: Arthur Wolf, vice-president; Myron J. McKee, treasurer, and Alex Corbett, Jr., secretary.

MARINE INSURANCE NEWS

WIDEN POLICY DISTRIBUTION

America Fore Group Extends to All Its Agents Opportunity to Issue Coverage for Service Men

Government service policies, heretofore issued by only the Continental in the America Fore group of companies, are now offered to all agents of all America Fore companies by the inland marine department. The government service policy is especially designed to cover uniforms, wearing apparel, jewelry, furs and other personal effects, including household furniture, the property of commissioned officers of the army, navy, marine corps and diplomatic service of the United States.

The contract is said to make a strong popular appeal because service men's property is constantly protected wherever it may be during transportation or in many and varying situations peculiar to the mobile habits of the assured.

Deny Virginia F. & M. to Be Sold

RICHMOND, VA., Dec. 28.—Rapid rise in stock of the Virginia Fire & Marine is attributed by President Frederick E. Nolting to an awakened demand for stocks in well managed insurance companies. The stock sold for a new high price of 155½ last week, a rise of 25½ points over the price a week previously. Reports current in Richmond financial circles that the Home of New York was again endeavoring to acquire control of the V. F. & M. and that this was responsible for the spectacular rise in the stock were declared to be without foundation. A voting trust formed four years ago when the Home made an ineffectual effort to gain control of the company still has three years to run. Last July the stock passed the 100 mark, having hovered some ten points under that figure for two years previously. The par value is \$25.

At Alliance a loss of \$10,000 was incurred in a fire in the American theater building. The Dixon restaurant and the Allcott hardware store also suffered damage.

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CLAIMS PRESENT STOCK
PRICE MUCH TOO HIGH

CAPITAL INCREASE OPPOSED

President Fred R. Bigelow of St. Paul
Fire & Marine Says Finance
Change Is Unwarranted

No reason exists for an increase in the value of the shares of the St. Paul Fire & Marine from \$100 to \$250, according to Fred R. Bigelow, president of the company. At the rate of \$100 a share the value of the company is \$16,000,000. At \$250 it would be \$40,000,000, or twice the liquidating value.

It is reported that there is no likelihood of a dividend increase nor of an increase in the capital, and further that the company's earnings are not so good for 1927 as for 1926. Almost all of the company's investments are in municipal and non-participating stocks. The company control is closely held.

Mr. Bigelow says he feels the \$250 figure is unreasonably high and that purchasers at this figure would be disappointed. This would, he said, undoubtedly react unfavorably to the company.

TELEPHOTOGRAPH SENT
TO PACIFIC AGENTS

C. F. Shallcross, manager of the North British & Mercantile and allied companies, sent his telephotograph accompanied by Christmas greetings to a number of agency friends on the Pacific coast. The telephotograph was transmitted from New York to San Francisco and Los Angeles in seven minutes over the long distance telephone circuit. The telephotograph and greetings were delivered by messenger Christmas morning. Mr. Shallcross has inaugurated a number of interesting features in connection with the North British publicity. For instance, he dictated a standard phonograph disc a few years ago, sending it out to the local agents. He was among the first officials to broadcast by radio a fire prevention message. He is said to have been the first to radiophone a message from New York to London.

R. B. JONES & SONS TO
OPEN CHICAGO BRANCH

KANSAS CITY, MO., Dec. 28.—Shortly after the first of the year R. B. Jones & Sons, insurance agents of this city, will open a Chicago office. Roy E. Wheeler, formerly with Springfield Fire & Marine as a field man in Iowa, will have charge of the Chicago office of the company. He was formerly with the Illinois Inspection Bureau. Mr. Wheeler is a son of Clem E. Wheeler, assistant western manager of the Hartford Fire in Chicago.

R. B. Jones & Sons will handle all lines of insurance in their Chicago office, including life insurance, a line which has been added by the company this fall. Although they have had considerable Chicago business for some time, they have handled it from the Kansas City office until now.

Small Farm Losses

One of the prominent local agents makes a suggestion as to small farm claims. He realizes that they are causing unsatisfactory records in many agencies. He asks whether it would be practical on claims under \$50 to have the company furnish the material and the farmers do the work without cost. He states that his own records show that the cost of repairs during the last few years has increased materially. In days gone by a farmer would frequently suggest that if the insurance company would stand the cost of the material he would haul it home and do the labor himself. Keen competition in late years,

this agent says, has educated the farmers to demand the union wage scale prevailing at a nearby city in doing repair work themselves when they have a loss.

COMMISSIONERS TAKE UP
EXCEPTED CITIES SOON

C. D. Livingston, Michigan commissioner, who is chairman of the committee on fire insurance of the National Convention of Insurance Commissioners, is expected to call a meeting of the committee for some time in January to consider the report of a subcommittee on commissions paid in certain excepted cities which have been regarded as discriminatory, so far as the rest of the country is concerned. The report was submitted to the last meeting of the commissioners by Commissioner Buttum of Virginia, chairman of the subcommittee which was named to investigate the matter.

Robert L. Benbow in Field

Robert L. Benbow has been appointed Iowa special agent of the Springfield Fire & Marine. He succeeds Roy Wheeler, who has resigned. Mr. Benbow has been an examiner in the Springfield western department office, Chicago, for the last several years. He is the son of William F. Benbow, South Dakota state agent for the Great American. He has been in line for promotion for some time and is well qualified for his duties in the Iowa field.

File New York Certificate

A. F. Shaw & Co., the Chicago agents, have filed a certificate of designation in the office of the secretary of state of New York to allow them to do business in the state. Shaw & Co.'s New York office is located at 75 Maiden Lane.

Levison Heads Musical Club

J. B. Levison, president of the Fireman's Fund, has been honored by the San Francisco Musical Association by elevation to the presidency of that body. Music has been the hobby of Mr. Levison for many years. He is an accomplished performer on several instruments. The society which he now heads is the sponsor of the famous San Francisco Symphony Orchestra and other musical activities.

Globe & Rutgers Stock Advance

NEW YORK, Dec. 28.—The sensational advance of 400 points in the bid price for Globe & Rutgers stock occurred today. Shares of this company are closely held and rarely is a sale effected.

Correcting a Mail List

Here is a bit of news the Hartford Fire gives to readers of the December issue of the "Hartford Agent."

"Did you know that you can print the words 'Return Postage Guaranteed' plus your name and address in the upper left-hand corner of the address side of a government postal card and in this way correct a mailing-list at a minimum of expense? The postal card can be used for an advertising message and, of course, the undelivered cards will come back."

Death of C. B. Wheelock

Charles Brackett Wheelock of Wheelock & Serratt, Boston managers of the Phoenix of Hartford for many years, died at a hospital there where he went for an operation Saturday. He was 71 years of age, a member of the University and Exchange clubs and one time commodore of the Corinthian Yacht Club of Marblehead. He leaves a son.

To Take Over Motor Union

It is reported from London that a deal is being negotiated between the Motor Union and the Royal Exchange Assurance, whereby the Motor Union is to hand over its holdings to the Royal

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A Calculating Machine

TO CLEAR DIALS YOU PRESS KEY

Clearance is automatic—lightning fast eliminating all handle "cranking."

TO MULTIPLY PRESS ANOTHER KEY

Multiplication also is automatic—result appears instantaneously.

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DECIDE SEE
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15 YEARS
BUILDING
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MACHINES—
AND NOTHING
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MERCHANT CALCULATING MACHINE CO.
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Automatic Oil Waste Cans
Each can bears the label of the
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the Associated Factory Mutual
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Justrite Manufacturing Co.
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Exchange. A provision of the deal is that the directors of the Motor Union are to remain in the new organization for a period of five years to insure continuity of operation.

Take Out Group Policies

The Fidelity & Casualty and the Northwestern National Fire have each taken out group life policies for their employees through the Metropolitan Life, the fire company securing accident and health protection as well. The Fidelity & Casualty coverage is \$4,000,000, and that of the Northwestern National Fire \$500,000 each for life and casualty.

Insurance Man Gets Hospital Post

LOUISVILLE, Dec. 28.—It looks as though the city administration of Louisville is looking to the insurance industry to supply superintendents for the Louisville city hospital. The previous administration named Charles W. Milliken of the Milliken-Plamp agency as superintendent, and the new administration has just named John D. Taber of the fire insurance department of C. Robert Peter & Co. as superintendent.

Cracks in Chimneys

Mysterious fires may result from cracks in chimneys caused by earthquakes or explosion, says the December "Hartford Agent" and it adds this significant statement: "All property located within an area affected by an earth disturbance, caused either by explosion or earthquake, is subject to more or less injury, and no doubt many concealed parts of brick chimneys are so damaged as to become fire hazards."

Kentucky Notes

Edward J. Miller of the Louisville fire agency of Edward J. Miller & Co., also president of the Louisville Water Co., was one of the principal speakers at the meeting of the Kentucky Hotel Men's Association, held in Louisville Dec. 19 and 20, talking on insurance and insurance needs of the hotel industry.

Fred J. Hummel, Hummel & Meyer, Louisville fire agents, and Mrs. Hummel left last week for St. Petersburg, Fla., where they plan to spend a couple of weeks. They were accompanied by their grandson, Harry Hummel, Jr., son of Harry Hummel, of the Kentucky Actuarial Bureau.

It is reported from Henderson, Ky., that Robert Sprague, 44, insurance man, was killed a short distance out of Morganfield, Ky., when he was struck by an automobile, the driver of which failed to stop and render assistance.

Eiffel Tower, Paris, is equipped with lightning rods, according to a discovery made and reported by The Hartford Agent.

An inquisitive policyholder wanted to know if his automobile collision policy covered if he hit a cow or if a cow hit him. The Hartford Agent says the answer is "Yes."

Chartered 1865

The Reliable Fire Insurance Company of Dayton, Ohio

Capital\$250,000.00
Surplus to Policyholders
over\$960,372.00

W. H. Kuhlman, Pres. Wm. F. Kramer, Sec'y
A. R. Preisendorfer and H. J. Favorite,
Special Agents

BALANCE COLLECTIONS STILL BIG PROBLEM

Attempts by Home Offices to
Eradicate Evils Successfully
Resisted Locally

SLOW PAY RULE OF DAY

Most Companies Place Responsibility
for Obtaining Due Premiums on
Field Specials

NEW YORK, Dec. 28.—A long standing and still existent problem in fire underwriting circles is the prompt collection of agency balances. Company managers individually and collectively have endeavored to devise a workable plan whereby funds due them could be obtained on time, but thus far the attempt has been without appreciable result. One company official, after a close study of conditions, found that the special agents of his company were devoting on the average a month each year to putting pressure on delinquent local men, losing thereby time that otherwise could be profitably utilized in developing new business or in inspecting risks already secured.

The official in question conceived the idea of penalizing agents delinquent in their returns by a reduction in the commission allowance on such business, the penalty being graduated according to the period in which the account was overdue.

Payments Made Slowly

That it is possible to get premiums rounded up within the liberal time generally allowed was evidenced through the experience of one of the companies of this city which two years ago accepted the suggestion of its leading special in a central western state that all local representatives in the territory be notified that if premiums were not paid within 60 days the company would draw on them at sight for the amounts due, and that it would expect its drafts to be honored. The effort proved wholly successful, the company losing but one agent through its adherence to the plan. And the objector was of such little consequence that his business was not missed.

Solution Lies With Field Men

The result of the experiment proved to the office that it rested very largely with field men whether balances would be promptly paid, and it has since insisted that its special agents in other states adopt a similar program.

The Eastern Underwriters Association has the matter of collecting agency balances under consideration, and in due course may be expected to offer a plan for cooperative action in this direction by its company members.

The Underwriters' Foundation Corporation, Indianapolis, filed papers recently with the secretary of state increasing the capital stock \$88,000.

GREAT DEMAND EXISTS FOR SPECIAL AGENTS

Supply of Good Material Is Inadequate to Fill All
Positions

COMPETENT MEN SCARCE

Changed Conditions in the Business Are
Responsible for Present Dearth of
High Grade Talent

NEW YORK, Dec. 28.—There is an insistent call on the part of fire offices for special agents of superior talent. Those who measure up to the requirements have no difficulty in making prompt and satisfactory connections, for the demand for competent men far exceeds the supply and gives every promise of continuing for a considerable time to come. Not only are there more companies in the field today than a number of years ago, but as the offices have grown in size, territories have been divided and subdivided, and in a field where formerly one special agent was employed, some offices now maintain five or six, each held strictly accountable for the results in the section under his particular jurisdiction. Changed conditions in the conduct of the fire insurance business are largely responsible for the present dearth of high-grade special agency talent, with all due respect to the very considerable number of field men who are making the best of the facilities at their command and performing very acceptable service.

Plays a Lone Hand

Before the era of the rating, inspection and adjustment bureaus, all of these functions fell to the lot of the special agent, who thereby gained not only an intimate knowledge of each, but what was probably of even greater benefit, had contacts with his field associates with the ripened judgment such contacts afford. Today the special agent plays a lone hand in large part, his affiliations with his fellows being mainly through the medium of the Blue Goose and kindred organizations, which are social and not working bodies, at which shop talk is taboo.

To quote the chief executive of a large company, who in the early days was himself a special agent and has since hired scores of field men, the primary requisites for a field man are: "Good sense, an acceptable personality, the ability to make friends and to advise intelligently with local agents, and, above all, industry. Without the last named quality, a special agent, however competent he may be in other respects, will soon find himself in disrepute with his company and his resignation will be in order."

Guided by Special Agents

While perhaps not true to the extent that it was formerly, it is still a fact that the company is guided in its writings very largely by the advice of its special agents. While the general underwriting policy and line and class limits of an office are determined by its management, it is the function of the field man to ascertain the liability subject to a single fire in the event of scattered risks, and to recommend limits in special hazards, buildings of multiple occupancy, and the like, and to give clearly his reasons therefor.

Come from Many Sources

Special agents are developed from various avenues. While the majority are home office graduates, a considerable number are products of inspection or

(CONTINUED ON PAGE 33)



Its Name Indicates Its Character

Operating Along Sound Lines

AMERICAN NATIONAL FIRE INSURANCE COMPANY

8 East Long Street

COLUMBUS, OHIO

Capital \$500,000

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JESSE E. WHITE, Vice-President JOHN A. DODD, Vice-Pres. and Sec'y
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SPRINGFIELD

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ELKS CLUB
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INDIANAPOLIS
FORT WAYNE
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Northern Indiana, Southern Michigan and
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DES MOINES

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Investigations, adjustments, inspections and
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Prompt Adjustment Services
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"We have served the companies for
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Offices: Oklahoma City, Oklahoma; Tulsa,
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Insurance, Mortgages and Real Estate
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Representing Seventeen Strong
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Underwriters in All Branches
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The largest insurance agency in the
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Engineering Services and Underwriting
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Wheeling, W. Va.
Ohio, Pennsylvania and West Va.
Business Solicited.

Great American Insurance Company New York

Choose
Your
Company

Choose
Your
Company

INCORPORATED - 1872

STATEMENT JANUARY 1, 1927
CAPITAL

\$12,500,000.00

RESERVE FOR ALL OTHER LIABILITIES

23,110,445.67

NET SURPLUS

17,628,138.96

ASSETS

53,238,584.63

SURPLUS FOR THE PROTECTION OF POLICY HOLDERS

\$30,128,138.96

LOSSES PAID POLICY HOLDERS

\$185,174,967.15

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ASSURANCE CO., LTD.

PROVIDENT FIRE INS. CO.

Fire and Automobile Lines

CAR AND GENERAL

INSURANCE CORPORATION, LTD.

Automobile, Liability and Plate Glass

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New York

NO CHANGE LIKELY IN SCALE FOR NEW JERSEY

EXPECT E. A. U. TO STAND PAT

Companies Not Alarmed Over Agents'
Threat to Seek Repeal of Rating
Law By Legislature

NEW YORK, Dec. 28.—That the Eastern Underwriters Association will modify in any material respect, if at all, the commission plan recently adopted for New Jersey, because of the violent opposition thereto on the part of the agents in a number of the counties of the state, and the unwillingness of a few member companies to force the issue, is highly improbable. Managers generally appreciate that if they were to grant any concession it would stimulate agents in other sections of association territory to make like demands.

Threat Not Taken Seriously

The threat of the New Jersey agents that unless the companies recede from their present stand they will seek the repeal of the Ramsey rating law at the forthcoming session of the state legislature, and will also endeavor to secure the passage of a law regulating commissions in the commonwealth, is not taken seriously. Were such a move attempted, it would be vigorously fought by the local men of Hudson, Essex and Camden counties, and would split agency ranks in the state wide open.

Local men who have calmly studied the situation realize that should a rate war develop in their state as a result of the repeal of the Ramsey act, they would suffer far worse than would their companies. The latter have the entire country from which to draw premiums, while the New Jersey agents are de-

pendent for their livelihood on the income in their own state, and to jeopardize this would be fatal to them.

MANDAMUS IS REFUSED FIRMS

Ohio Insurance Department Wins
Against Johnson & Higgins and
Marsh & McLennan

COLUMBUS, OHIO, Dec. 28.—The Ohio Supreme Court today refused to Mandamus Superintendent of Insurance Safford to grant Johnson & Higgins of New York, and Marsh McLennan of Chicago, resident agents' licenses in Ohio.

These two firms sought to establish local agencies in Ohio and be licensed as such. The Ohio department claimed that under the law outsiders could not become local agents in the state even if an office were opened. The department held it could only issue a broker's license which would require all policies to be countersigned by resident agents. They brought mandamus proceedings to compel the department to issue a regular agent's license.

GREAT DEMAND EXISTS FOR SPECIAL AGENTS

(CONTINUED FROM PAGE 30)

rating bureaus and of local agencies. As a rule managers prefer to train their talent, men of this type being familiar with the personnel and practice of the home office, can be counted on to render greater cooperation with the underwriting heads and are more amenable to suggestions and criticism. If a special agent has traits that enable him to adapt himself to his environment he will make good in any field, and numerous cases of this may be cited. On the other hand there is a considerable number of specialists who are only fitted to operate in particular territories.

ST. LOUIS COMPANY'S OFFICE FORCE MAKES HIT WITH PHIL (SEE PICTURE)

By PHIL BRANIFF

Last week in St. Louis I called on Vice-president Lemp of the Indemnity Company of America. I left my name with the P. B. X. girl. When she took my name I wanted to return the courtesy, including her phone number, but my old age and the wrinkles in my collar were against me so I elevated my thoughts. Anyhow she soon returned with the message that Mr. Lemp would see me and then proceeded to lead me through a collection of Roses, Violets and Rebeccas



that were good for weak eyes or good eyes. Mr. Lemp's office is about as far back as his cottage was in White Sulphur and he sits back there and watches those girls take down letters like a boy eating alphabetical soup.

I think I saw Lemp; I don't remember, but that office and its clerical force stand out like a cab horse on a wet night. There isn't a girl on the job who would take less than first prize at a beauty contest. The office manager explained that he had weak eyes and couldn't stand to look at anything that hurt 'em. He won't have to. They have a unique plan of employing help. They pick 'em young, give 'em plenty to do 'n trade 'em in on new models when they reach the age limit.

I stayed longer than a poor relation and came away impressed—you know—morally. Those boys certainly don't believe in "Direct by Male" advertising. They probably do a lot of outdoor advertising and if you ever get to St. Louis, you owe it to Woodbury's and Gold Stripe to give that crowd the panorama. I don't know how much business they write but I'll bet that every time one of those girls goes for a ride she comes back with an application and it won't be for sore throat.

Look at that picture!—taken at their outing last summer.

GREETINGS

"FRIENDSHIPS which result from mutually satisfactory business relations are the finest products of business.

"The F & D is happy in the knowledge that it has many such friends throughout the country—friendships which have had their origin in business and which have been strengthened through personal contact.

"To this large body of personal friends the company sends its best wishes for a Merry Christmas and a Happy, Prosperous New Year. If it should be our good fortune to assist in making that last wish become a fact, we shall be very glad.

FIDELITY AND DEPOSIT COMPANY

of Maryland
BALTIMORE

FIDELITY *and* SURETY BONDS—BURGLARY *and*
PLATE GLASS INSURANCE

The National Underwriter

December 29, 1927

CASUALTY AND SURETY SECTION

Page Thirty-five

COMPULSORY LAWS ARE CAUSING MORE CONCERN

Writing of Public Liability Coverage Presents Serious Problem to Company Officials

NEUTRAL ATTITUDE GONE

Executives Now Point Out to Legislators Good Features of Connecticut Motor Vehicle Law

NEW YORK, Dec. 27.—Casualty insurance has ever been a perplexing business, in the management of which qualities of the first order are required. Two years ago it was the compensation line that was uppermost in the minds of officials. While the problems incident thereto are yet far from solved, advance toward that end has yet been made and the hope is held that the new year will see still more improvement. The big issue just now is that of automobile liability coverage. How to deal with it properly is the subject of grave concern to managers, who are studying it from every angle in the hope that a practical means will be found for keeping the loss ratio within reasonable bounds without having to resort to constant rate increases.

That the hazards of motoring are likewise receiving earnest attention at the hands of law makers is equally true, reports from all sections of the country telling of theories held by legislators for checking the mounting death list caused by road accidents. Many of these are contributed to by those killed or injured, but all are regrettable.

More Compulsory Bills Seen

That there will be a number of compulsory automobile liability bills introduced into various legislatures early in the new year is a foregone conclusion. Some of the measures, doubtless, will be reasonable in their provisions and will deserve enactment into law. Others, it may be assumed, will be drastic. The passage of these would work a hardship on motorists and be of little value to pedestrians. A bill providing for compulsory insurance for the District of Columbia is already before Congress, having been offered by Senator Jones of Washington. Under its terms indemnity would be supplied by the government, and private carriers would be barred from writing the line. Self-insurance also would be prohibited.

A measure along somewhat the same lines is being prepared for submission to the New York legislature, and similar bills are expected to appear in New Jersey and other states within a brief time.

Neutral Attitude Vanishes

Appreciating the insistent demand that exists for legislation of this character, casualty underwriters have swung away from the strictly neutral attitude

CHANGES ARE MADE IN NON-CANCELLABLE PLAN

HAVE MORE RESTRICTIONS

Continental Casualty and Continental Assurance Place More Safeguards About This Class of Business

The Continental Casualty and the Continental Assurance will make further restrictions in their non-cancellable accident and health policies the first of the year. The Continental Casualty some time ago decided not to write straight non-cancellable policies where there was no limit in time as to payment of benefits. It established, however, a non-cancellable policy with a maximum lump sum for which it would be liable. The maximum amount of death indemnity provided was \$25,000. This will now be reduced to \$10,000.

Continental Assurance Changes

So far as the Continental Assurance, the life company, is concerned it will hereafter write no non-cancellable policies with less than a 90-day elimination clause. At the present time a person can buy such a policy with a 30-day clause. It has reduced its maximum death benefit to \$10,000 and its maximum monthly benefit to \$250 a month.

Probably the most radical change in its non-cancellable field practice is the rule established that hereafter it will only take non-cancellable applications from its own agents and that such a policy will not be written unless the applicant also takes life insurance concurrently. The Continental Assurance thus cuts out entirely all brokerage business, which has been featured by some of its agents.

they have hitherto maintained in the matter, and instead are suggesting to sponsors of compulsory measures that of all the laws on the subject now in force or of those proposed thus far, the most sane is that of Connecticut. This statute, originally enacted in January, 1926, was amended in July of the following year and has since admirably served the purpose for which it was intended.

A study of the terms of this law discloses that the commissioners of motor vehicle are required empowered to require from any person convicted of, or who evades or avoids prosecution for, a violation of any of certain specified provisions of the motor vehicle law (provisions relative to special licenses for public service operators, failure to obey an officer, reckless driving, driving while intoxicated, operating vehicle without owner's permission, racing or evading responsibility, leaving vehicle in a dangerous condition, failure to stop on approaching railway car taking on or discharging passengers, defective brakes, false testimony, and wrongful use of number plates or registrations), or who is concerned in any motor vehicle accident causing injury to (including death of) any person or damage to property of at least \$50; or from the person in whose name the vehicle is registered; or from both of such persons; proof of financial responsibility to satisfy any claim for injuries to person or damages

EASTERN OFFICIALS SEE IMPROVEMENT IN IOWA

BOND SITUATION CLEARING

Majority of Surety Writing Companies Are Reported Standing By Pledge to Obtain Full Premium

NEW YORK, Dec. 28.—In spite of the insistence on the part of a number of Iowa surety writing agents that rebating on contract bond business in the commonwealth is still prevalent and perhaps to as great a degree as ever, company executives in the east approve the statement appearing in the December 15 issue of THE NATIONAL UNDERWRITER, that distinct progress has been made in the iniquitous practice, in that, instead of its being indulged in by practically every company operating in Iowa as was previously the case, the offending offices are now confined to two or three.

The great majority of the companies are reported as standing loyally by their pledge to get full premium on all of their contract bonds as well as for other forms of coverage they write, an attitude supported by the local men as a rule. Companies that cannot get full manual rates for their contract bond guarantees are simply passing up the business, content to do without it until such time as the situation clarifies and the line is written without rebate direct or indirect.

When the managers pledged their Iowa representatives to undertake the task of attempting to stamp out rebating and of naming as agents persons in the employ of contracting firms they were wholly sincere in the declaration, and are determined to carry out the obligation, though it will mean the loss of considerable business meantime. With the majority of the companies licensed in the state standing for reformation, a drive will be put forth to line up the several institutions that are still granting rebates. Confidence is expressed that this end will be accomplished, though some time will be required before it can be brought about.

to property up to limits of not less than \$5,000, \$10,000 and \$1,000. Where such proof is required of any person the commissioner may require like proof for each motor vehicle owned or registered by such person.

Options Are Offered

Such proof may consist of (a) a certificate of public liability insurance to limits above mentioned; (b) a surety bond; or (c) a deposit of money or collateral. Such insurance must be satisfactory to the commissioner, and the policy of insurance must be non-cancellable except after 10 days notice to him. The commissioner may at any time require additional proof of responsibility.

The commissioner may cancel or return the bond, certificate of insurance or deposit three years after it is furnished, if in the meantime the person required to furnish it shall not have violated any provision of the motor vehicle

(CONTINUED ON PAGE 44)

DENY IMPROVEMENT IN IOWA BOND SITUATION

Fewer Agents Rebating Only Because Fewer Writing Business, Local Men Assert

FIELD NARROWED DOWN

Various Developments Cited Which Have Reduced Opportunities for Local Agents

DES MOINES, Dec. 28.—A recent article purporting to give the facts on the bonding situation, appearing under a New York date line, has aroused some resentment among insurance agents here. A man who is prominently affiliated with organizations among insurance agents says: "It is true that there are fewer agents rebating, due to the fact that the agents became discouraged at the lack of cooperation on the part of the companies to assist them, and many agents have retired from solicitation particularly of contract bonds, so that the situation is just the same as it was formerly, but there are a less number participating by reason of the conditions above given."

The contention is that the companies will soon find that the field is occupied by only a very limited number of companies that transact that kind of business, but who are transacting all of it.

Effect of Highway Commission Change

Prior to July 1 the lettings of contracts by the state highway commission took place at the various counties in the state, while they had to be approved by the Iowa commission before being finally awarded, yet the personal contact the local agent had with the various contractors who attended the letting and the fact that he was a part of the community made possible a wider distribution of the bonds and gave the opportunity to the local agent to do some business. With the new system, however, all lettings at one point, is claimed that it has become a survival of the fittest, as no local agent can afford to travel very far to these lettings and enter into competition where the profit is cut down to a minimum, in fact so much so it does not pay his traveling expenses.

Agents' Opportunities Lessened

In discussing another feature of the Iowa situation the agent quoted above says:

"By one of the operations of the law in Iowa enacted by the legislature two years ago, depository bonds are legislated out of existence. County treasurers' bonds have been cut down to a minimum, and all of this has cut in deeply on the local agents' opportunities of securing local business, so he turned to the contract bond field. It is in a very demoralized condition that has been growing for the past two years until it has reached the present stage. The matter has reduced itself to a very few and those are mostly direct company rep-

representatives, because the local agents or general agents in fact can not afford to participate in the present situation."

It is admitted that in a few cases they are able to hold their old clients by reason of the prior service they have given, but many of them state they have been unable to do that under present conditions and are gradually losing interest in attempting to get any further business along this line.

Action by Iowa Association

In reference to a request of the Surety Association of America for additional information, another prominent agent says he sees no need of further evidence being produced. He contends that the companies are all quite familiar with the situation here in Iowa and have known it for some time. At the meeting of the Iowa Association of Insurance Agents in Waterloo last summer, certain committees were given special powers in an effort to correct the bonding situation. It is understood that the executive committee of the state association recently held a meeting at which it is stated that the legislative committee, composed of members of the organization from each of the 11 congressional districts, would be instructed to make preparation for the presentation of the bonding situation to the next general assembly. The theory was that some legislation would be required before the difficulty is overcome.

Care Needed on Legislation

In commenting on this phase of the situation, the agent quoted above says: "Personally I feel that we should be very careful about getting into legislation of any kind on this subject, because our legislature has never been composed of men who are sympathetic with insurance companies and particularly eastern organizations." Having a knowledge of the feeling that exists among the agents here in Iowa this agent expresses himself fearful that the demands that will be placed on the legislative committee will not be in harmony with the best interests of the bonding business.

He further says: "The agents in this territory feel that the action of the Surety Association in requiring agents to present an affidavit with each bond, stating that no rebate was given, is nothing but a big farce. I have made inquiries at different times and so far as I am able to determine, only two companies have sent out these affidavits. If they have been sent out, the agents are not willing to admit it and I am sure that the situation today is worse than it has been at any time."

NEW AMSTERDAM MERGER RUMORS ABROAD DENIED

BALTIMORE, Dec. 28.—Under heavy buying by both local and out of town interests stock of the New Amsterdam Casualty reached 79 last week, the highest level it has ever attained.

Rumors that the company would be merged with another surety company and that negotiations were under way for an arrangement with a fire company similar to that concluded by the Maryland Casualty with the Home Fire of New York are emphatically denied by President J. Arthur Nelson.

"Every time the stock of the New Amsterdam Casualty scores a substantial advance a fertile imagination concocts a story similar to that now current," Mr. Nelson said in reply to a query if he could throw any light upon the unusually heavy accumulation of the shares.

"There is no more foundation for the present story," he added, "than there was for similar stories spread from time to time. Next February the dividend on our stock will be increased from the present 27 percent rate to 28 percent. The yield then based on the current quotation of 79 for the stock will be slightly better than 3½ percent. This is a higher yield than many similar issues afford and I believe this fact has impressed buyers."

MICHIGAN COMMISSIONER QUESTIONS RATE BOOST

PUBLIC LIABILITY AFFECTED

Department Head Says Companies' Loss Experience Insures Profit Under Present Charges

LANSING, MICH., Dec. 28.—Automobile-writing companies operating in Michigan have been asked by the state insurance department to explain why public liability rates are to be advanced, if the increase recently announced through the press is to be effective in Michigan.

The department contends that the automobile liability business written in this state over a period of years has given the companies a loss ratio of only about 44 percent. It is the attitude of department officials that such an experience should prove profitable to any properly managed carrier.

Letter Sent to Companies

The following letter has been dispatched by Horace B. Corell, deputy commissioner, to all companies using conference rates:

"From the insurance journals I learn that automobile liability rates in Michigan are to be increased by 16.6 percent. In view of records of the companies doing business in Michigan I am writing to inquire if such reports are true and how you justify this raise from the records of liability insurance companies operating in Michigan."

Department officials realize, of course, that the 16.6 percent increase mentioned as an average for the nation as a whole may not apply to Michigan, but the intimation of any boost in rates here is sufficient to call forth such a request for information, it is contended. If the companies are able to show justification it is improbable that the department will place any barrier in the way of higher rates. But if the various carriers' replies do not prove satisfactory it is expected by Michigan insurance men that further action of some sort will be forthcoming, despite the admitted fact that the department has no direct control over automobile rates because of a lack of laws on the subject.

Loss Ratio Cited

Commissioner Livingston in analyzing the situation pointed out that a 44 percent loss ratio, if unaffected by other factors, should certainly be satisfactory to the companies. He glimpsed the possibility, however, that liability business may entail greater expense from litigation than other types of coverage. The companies, he pointed out, are undoubtedly forced to defend many actions based on claims which have little, if any, foundation in equity. This factor may explain, in part, the alleged necessity for a higher rate, he said, but it hardly seems probable that so large an increase would be necessary unless the companies planned to divert a large part of Michigan premiums toward paying losses in other states where experience has been much less fortunate.

It is generally admitted that few large liability claims have been sustained against the companies operating in this state. One sizeable judgment was rendered recently in a Flint case, but judgments in general have shown no trend upward in the state, it is claimed, while the accident rate has actually diminished in many parts of the state due to safety campaigns or more adequate means of handling traffic. Michigan recently removed its speed limit in putting on its statute books the Hoover traffic code, but conditions on the highways are believed to have improved, if there has been any change since the adoption of the new law.

Law Is Enforced

Governmental agencies, from the governor down to the local constables, have

CINCINNATI AGENCY RECOGNIZES SAFETY

DINNER GIVEN TO DRIVERS

Reduction in Accident Frequency Noted by Insurance Office and Proper Commendation Made

In recognition of an accident reduction record this year, the Shell Agency of Cincinnati gave a dinner for taxi, bus and truck delivery drivers employed by 12 firms whose fleets are insured by the agency. During the year these risks showed a 25 percent reduction in accident frequency and a one-third reduction in losses. The safety work done in these organizations was directed by T. Blanchard, who has emphasized personal responsibility of drivers and appealed directly to the drivers themselves rather than calling for observance of written rules and regulations. A principal result of the safety efforts has been a better feeling on the part of the drivers toward insurance interests and companies.

Among those who were present at the dinner in addition to the drivers, representatives of the Shell Agency and executives of the 12 employers were G. C. Smith, safety director of Cincinnati, and William Smith, special agent of the Hartford Accident & Indemnity. The slogan of the banquet was "Peace on Earth—Not Pieces."

shown a disposition to enforce the new law and to bring out its safety features and nullify the bad psychological effect of removing the speed barrier. Recently the state department of public safety discussed with Governor Fred W. Green some additional plans to facilitate convictions for reckless driving and prevent accidents, among these innovations being the marking of highways over hills and the adoption of a definite speed limit at road turns. Under these proposed changes motorists failing to observe the markings or the speed limits would be subject to arrest for reckless driving. All these activities, it is maintained, show that the tendency in the state is to reduce the liability hazard. It is believed that the insurance department is taking them into consideration in questioning the action of the companies as it affects Michigan.

INTERESTING CONTEST BEING HELD BY U. S. F. & G.

BALTIMORE, Dec. 28.—The United States Fidelity & Guaranty is nearing the close of the qualifying round in an interesting production golf tournament, which got under way Oct. 1 and will end with the present year. The entire agency organization of the company, numbering nearly 10,000, is taking part.

Six tournaments are being held—total production, fidelity and surety, accident and health, automobile, burglary and plate glass production.

The agent writing the largest volume of business in the qualifying round will be the medalist and will receive a silver cup. From year to year the cups will be transferred to others who may qualify as medalists in subsequent tournaments. The name of each holder will be engraved on the cup and it will become the permanent possession of any agent who wins it for a third time.

In each of the seven sixteens in each of the six tournaments, prizes will be awarded to the winner and the runner-up, 84 in all.

Georgia Casualty People Resign

Vice-President E. P. Amerine, Assistant Secretary W. M. Amerine and Assistant Agency Superintendent J. H. Andes of the Georgia Casualty have resigned. E. P. Amerine was for 16 years with the Standard Accident and the Maryland Casualty.

TWO IMPORTANT CHANGES IN PENNSYLVANIA CODE

AFFECT AUTO UNDERWRITING

Liability Imposed on Political Subdivisions—Provision for Report on Property Damage Accidents

PHILADELPHIA, Dec. 29.—Two new sections of the Pennsylvania motor vehicle code which go into effect the first of the year will have a marked influence on automobile underwriting the coming year.

The first provision—Section 620—is a radical departure from the law heretofore in force, as political divisions of the state have been more or less immune from damage suits. But the new law says that "every county, city, borough, incorporated town or township or other public corporation within this commonwealth, employing any person, shall be jointly and severally liable with such person for any damages caused by the negligence of such person while operating a motor vehicle upon the highway in the course of his employment."

This seems to let the bars down for claimants, and to open wide a field for new insurance and for many more suits being brought on automobile claims.

Must Report Property Damage

The second section to go into effect has been partly effective in Philadelphia for a few years, but the introduction of an official record of a property damage accident is something entirely new and is expected to aid materially in keeping a check on damage claims, as well as aiding underwriters in securing adequate proof of such claims at the time of the accident.

The new section reads as follows: "The operator of any motor vehicle involved in an accident, resulting in the injury or death of any person, shall within 24 hours forward a report of such accident to the department, except that when such accident occurs within an incorporated city or town, such report shall be made within 24 hours to the police headquarters of such city or town. Every police department shall forward a copy of such report so filed with it to the department."

Not for Public Inspection

It is also required that, whenever the judgment of the department of motor vehicles finds the report insufficient in data, a supplemental report, on a regular form issued, shall be made. The reports must be given without prejudice, for the information of the department alone, and not for public inspection.

In the event that a trial, civil or criminal, follows an accident, the fact that such reports have been made shall be admissible as evidence of compliance with the motor vehicle act. But no such report, or part of the statements contained, can be admitted as evidence.

WOLFF IS MADE RESIDENT VICE-PRESIDENT OF F. & D.

MILWAUKEE, Dec. 28.—William M. Wolff, manager of the Milwaukee branch of the Fidelity & Deposit since 1915, has been appointed resident vice-president of the company in Milwaukee. Mr. Wolff was with the Roger L. Merrill agency as resident manager until the Fidelity & Deposit opened its branch office in Milwaukee, Aug. 2, 1915, and since that time he has had charge of the surety and casualty lines of the company in this field.

With the appointment of Mr. Wolff as resident vice-president, H. H. Thomas becomes manager of the Milwaukee branch and H. W. Pripps, assistant manager. Both Mr. Thomas and Mr. Pripps have been with the Fidelity & Deposit a number of years, and the trio are among the best known surety men in this section.

BIG STRIFE IN FIELD FOR GOOD PRODUCERS

Casualty Companies Are Putting
On a Lot of Steam
These Days

SPECIAL AGENTS ALERT

Competition Has Increased Materially
With Many More Offices Out
on the Firing Line

NEW YORK, Dec. 28.—The casualty and surety executives realize that throughout the field there is intense competition. This is particularly true in places of any size. The casualty acquisition cost conference has done something to stabilize commissions. A lot of hard work has been put on it. It has been a boon to the business. It may not have reduced acquisition cost on the whole, but it has been a stabilizing influence and probably has kept companies from making new excess commission contracts. The companies that are watching the profit side of the ledger naturally desire to keep their acquisition cost down to as low a point as possible.

Some Interesting Factors

There are a number of factors in the casualty and surety field now that are particularly interesting. The advent of new companies in the field has greatly intensified competition. When the older and well established companies were confronted with the newcomers they put up every effort to hold their own. Many of these new companies are backed by great fire insurance fleets and have an immediate standing with the agents. They are bound to get a certain amount of business. It is a fact no doubt that officers of fire companies have been disappointed in that their fire agents did not jump at the chance to represent a casualty company simply because it was allied with a popular fire company.

Hard to Get Agents

Officials of new casualty companies regardless of their affiliation have had a hard time to get agents. They have pulled and hauled in every direction. Casualty and surety companies have put more special agents in the field and they are scouring the country with a fine tooth comb. Take any sizable place today and the agents are besieged with appeals to take on a casualty company. The older companies that had good agents on a higher commission basis realize the fact that the minute they were cut down they would be grabbed up by another company.

Have a Wider Distribution

The premiums in the casualty and surety field therefore will be more widely distributed among a greater number of companies. Until the newcomers become established and the machinery is running normally many offices cannot expect to show much of an increase, if any. Some years ago a local agent never thought of representing more than one casualty or surety company. He realizes the fact that he needs more than one fire company because one company could not handle all his risks. Then there were peculiarities among the companies themselves as to the size of lines on the same risks and also there were variations as to the prohibited classes.

Take More Than One Company

In more recent years agents are taking on more than one casualty and surety company. Some companies are far more exacting as to small risks. Some are setting minimum limits below which they will not go. Regardless of

BANK OF ITALY TIEUP RUMOR QUICKLY LAID

QUERY NEW YORK INDEMNITY

Spencer Welton, President of Company.
Known to Be Supporter of American Agency System

NEW YORK, Dec. 28.—Emphatic denial of the report that the New York Indemnity was considering an agency tieup with the Bank of Italy along the west coast is made by Spencer Welton, president of the company. In response to a telegraphic inquiry to Mr. Welton from W. E. Harrington, president of the National Association of Insurance Agents, concerning the rumor the former wired that "both he and Chairman W. B. Joyce of the New York Indemnity are staunch friends of the American agency system and have in contemplation no action in any way hurtful or unfair to any good agent."

Attitude Well Known

To those familiar with the attitude Messrs. Joyce and Welton have ever maintained toward local agents, such assurance from Mr. Welton was unnecessary, and the inquiry was made by President Harrington solely because of the wide currency the report referred to had attained.

Mr. Welton, more than any other company executive, has been a constant attendant at gatherings of the national and state agents' associations and has been unflinching in his advocacy of their principles. The feeling of Mr. Joyce toward organized agents is best attested through his selection of Mr. Welton as president of the New York Indemnity and of E. M. Allen, past president of the National association, as vice-president of the National Surety.

this more restrictive attitude, they are valuable companies otherwise. An agent hesitates to throw over an old company that he has represented because it will not take a small risk business. Furthermore, this old company may become much more conservative in its compensation underwriting and does not hesitate to cut off risks that are unprofitable. The agent therefore feels impelled to take on another company to handle its business. Some of the companies that are having a hard time to find lodgment grab at the chance to get the small premium business and such others as may fall from the table. One of the main necessities is to start with some business. The danger right here is that agents may tend to throw the poorer business to the new companies, thinking that they cannot turn down risks, as can the older ones.

Scheme to Pay More Commissions

Another feature that is very apparent in the field is the fact that many local agents who do not have sufficient business to be more than local agents are now made regional or general agents by some company. Seemingly an agent that has enough business to wad a gun can get higher than the regular local agent's commission. There are enough companies seeking these upper classes that are willing to pay even for a small business.

As time goes on there is a more intensive cultivation of the smaller points. Casualty companies see the necessity of reaching out into the highways and byways, now that they have reached the saturation point in the cities. Because of this drive for business the expense ratio undoubtedly has mounted.

Regardless of all this the casualty and surety business is growing rapidly. It will outstretch fire insurance. Many agents now find that more than half of their premium is coming from casualty and surety companies. The field men are training the agents, are stimulating them and showing the possibilities.

REPORT TAGGART IS TO BE LENIENT TO H & A MEN

OUTLOOK MORE ENCOURAGING

Commissioner Has Not Announced New
Examination Yet but Substance
Has Been Discussed

More light has been thrown on the special regulations which are being formulated by Commissioner Taggart to modify the examinations for the casualty group in obtaining agency licenses in Pennsylvania. It is understood that the commissioner appreciates that the casualty business has many distinctive types. His attitude towards the health and accident agents has been sounded out and found to be lenient. The health and accident agents comprise a large part of the casualty group and the commissioner realizes that a change in the system of rating examinations is necessary. The new plan does not make it necessary for the health and accident agents to know all the casualty lines as formerly. It has been discussed during the last few days with several casualty companies, and although it has not been definitely drawn up, in substance it is as follows:

Substance of New Examination

Twenty questions are asked; substantially five of these are on the laws of insurance and five are on the ethics of insurance, both tending to test a man's familiarity with the laws of Pennsylvania and the good morals of selling insurance. If these ten questions are answered correctly the applicant would have a credit of 50, according to a value of 5 to each correct answer and a proportionate rating as the answer deserves when it is not entirely correct. The last two questions of the remaining ten are on health and accident insurance, and if these two questions are answered correctly it gives the applicant a rating of 60, and for answering these two questions, which are particular to his branch, he gets a bonus of 20, which gives him a total of 80. This leaves eight questions which he can guess at and get what he can out of them. The qualifying mark is 70.

It is reported that the commissioner feels that this method of rating equalizes any inequality in the case of questions and that if a reasonable test should disclose that such is not the case he will take necessary steps to do the fair thing. A Pennsylvania district manager of one of the casualty companies said that this contemplated ruling gives more satisfaction than any development he had heard of since the ruling went into effect.

Court Defines Forgery

LINCOLN, NEB., Dec. 28.—The disputed question of what constitutes a forgery or alteration of a check, raised in the appeal of the Aetna Casualty & Surety from a decision that it must pay the Western Rock Island Plow Company \$1,000 on a policy covering those two risks, is decided by the Nebraska Supreme Court against the insurance company. A bookkeeper prepared a check for \$1,000 to pay an invoice, presented the instrument to the manager with a slip of paper cleverly placed to conceal the fact that the payee's name was left blank, then wrote his own name in it and got the money.

The court says that where the signature of a person is thus secured on what amounts to a blank piece of paper and without authority writes above it a valid instrument, it is a forgery. It says the rule is the same where an agent, having a genuine signature of the principal, with instructions to write an instrument in a certain way, disobeys those instructions and exercises improperly his authority as to the written instrument. The court also holds that it is also an alteration, which it defines as adding something to an instrument already in existence.

COMPANIES PLACING MORE RESTRICTIONS

Still Doubtful as to Underwriting
Non-cancellable Health
and Accident

MUCH IMPOSITION SEEN

Officials Declare That Tendency is to
Take Advantage of the Policy
Conditions

The announcement that the Continental Casualty and Continental Assurance of Chicago have placed further restrictions on the sale of non-cancellable health and accident insurance as of Jan. 1, brings up again the difficulties encountered by the companies in writing this class.

When non-cancellable health and accident insurance first started, the premium was placed at a ridiculously low rate. The main companies writing it were the Pacific Mutual, Travelers and Continental Casualty. Others adopted it, but gave it up. The Travelers later abandoned the plan. The straight non-cancellable policy has brought problems to companies that were decidedly exasperating. As time has gone on the companies have built up as scientific system of rates as they could, basing it on a limited experience. They have introduced restrictions as to waiting period and have made the medical examination severe. In spite of all these regulatory measures the companies see that there are unknown contingencies in connection with this form of insurance that make the future decidedly hazardous.

Comment of an Authority

One of the best known authorities who has had much to do with the non-cancellable insurance makes the following comment:

"From an underwriting standpoint it is impossible to make an intelligent selection because men in all classes will impose on companies. We have found that applicants for insurance in spite of strict medical examinations and inspection reports will tell half truths or will not reveal true conditions as to their health. In case of regular policies of a cancellable sort, applicants are not defiant in their demands. They realize the fact that they must be reasonable or the policy will be cancelled and they may not be able to get other insurance.

Attitude of Non-cancellable Claimant

"The non-cancellable policyholder faces a company in an entirely different frame of mind. He is independent and unless there is some flagrant violation of the contract he realizes that he has the company by the neck. The only possible way for a company to wriggle out is to establish some breach of warranty which is very difficult. We find that a man can exaggerate an ailment or he can feign one and it is impossible for us to disprove it. We find that many people will have a nervous breakdown ostensibly and will go away for a year or so having a liberal benefit from their non-cancellable insurance. Nervous breakdowns constitute the most prolific cause of claims. Next comes tuberculosis and then insanity. We have found cases of tuberculosis where a man has gone out into the Rocky mountains, and seemingly has recovered. However, he declines to return to work on the ground that if he does there may be a recurrence of his malady.

Imposed on in Adjustments

"We therefore are helpless in the premises. We realize that we have been

imposed on in adjustments. A man having potential benefits that will make him a good living does not hesitate to take advantage of the company. A man may get all the non-cancellable insurance he can from different companies and also get life insurance with a total and permanent disability clause. He finds himself therefore in a position to realize very handsomely on his insurance if he can establish a claim. He goes about it, claiming he is overworked and has nervous disorders. Where a man takes health insurance for example and knows that there is nothing organically wrong about him or has no symptoms of any impending malady he will usually take out ordinary commercial insurance that does not cost as much as non-cancellable. That will be entirely satisfactory to him.

Selection Against the Company

"If he is an honest man and has an honest claim he knows that he will have no difficulty in the adjustment. If he surmises or knows that there is something wrong about him he will run the risk of paying more and take out non-cancellable insurance. An otherwise conscientious man will not hesitate to impose on an insurance company. Although the rates have been increased this has had but little effect in protecting the companies against imposition. It is the unseen and unrevealed that work havoc when it comes to underwriting this class."

Solicit Brokerage Business

Some companies that write non-cancellable find that their agents have been soliciting brokerage business from life agents of other companies. The non-cancellable policy was intended to be the opening wedge for life insurance in the company in which the non-cancellable policy is written. It has been found that many non-cancellable agents will take such policies from other life agents, thus enabling them to build up their own life insurance clientele. The Continental Assurance of Chicago has just made a new rule that hereafter it will not write any non-cancellable insurance unless an applicant takes life insurance in the company concurrently.

Aetna Life's Building Plans

Interest is again being revived in Hartford in the new buildings of the Aetna Life and affiliated companies. The first official word on the subject for a long time came last week from President Morgan B. Brainard when the Aetna Life Men's Club held its annual banquet. At that time President Brainard mentioned that he expected early developments with the proposed new building program of the company on its Farmington avenue property. While he did not state any exact time it is rather generally accepted that the company will soon consider bids and probably award a contract with the idea in mind of construction next spring.

PATIENT'S CONSENT IS NOT REQUIRED FOR OPERATION

LINCOLN, NEB., Dec. 28.—Dr. Charles L. Egbert of Hastings and his insurance carriers won a \$50,000 damage suit in the supreme court, when that tribunal rejected the common law doctrine that before any surgical operation can be performed on a patient, in addition to that contracted for, the latter's consent must be obtained. The court says that doctrine was all right in the days before anesthesia was discovered and when patients looked on at their own operations. If in the course of the operation to which a patient has submitted it becomes evident that to save his or her life further exploration must be made, all that is necessary is to secure the consent of the nearest relative or legal representative who may be present.

The suit was brought by Albert de Jung, whose wife was operated on for appendicitis. The surgeon discovered that her generative organs were so badly infected that death would follow within

RULES OUT EXPERIENCE RATING ON PLATE GLASS

BEHA ORDERS USE STOPPED

Plan Held to Be Discriminatory—Some Companies Had Adopted It Reluctantly

NEW YORK, Dec. 28.—Holding the plate glass experience rating plan adopted by company members of the National Bureau of Casualty & Surety Underwriters and by those subscribing to the W. F. Moore service to be discriminatory, the New York department has ordered that the practice be discontinued forthwith. It is further ordered that the change be not followed "by increasing the rates on any risk or class of risks affected by the order, unless it can be shown that such increase be justifiable."

The experience rating plan proposed by the National Bureau companies, and subsequently adopted by the Moore office, became operative last March. Superintendent Beha held a hearing on the matter Dec. 2, at which some of the underwriters sought to defend the practice, while others frankly admitted that in their opinion it was discriminatory as between assureds, and that they had assented to it reluctantly. The adverse ruling of the superintendent was fully expected.

a short time if proper surgery were not applied. The husband denied he consented, but witnesses said he did. Death from peritonitis followed, and de Jung alleged malpractice.

The court says that a surgeon would not be justified legally or morally in closing an incision and not relieving an apparent danger simply because the patient is under an anesthetic, it would be wrong to require the surgeon to suspend operations and wait until he could secure resuscitation and consent. All the law requires is that he use his best skill and knowledge.

Stock Will Be Withheld

Even though the proposal of the directors of the Manufacturers Casualty that the authorized capital of the company be increased to \$2,000,000 from \$1,000,000 be considered favorably by the stockholders at the annual meeting on Jan. 30, the directors will not issue the new stock immediately thereafter, LeRoy Wood, secretary of the company, reports. The authorized capital of the company is \$1,000,000, of which only \$500,000 has been issued to last October.

CHANGES IN DISABILITY POLICIES

Brief Review of News About Policies, Riders and Rates, Which Are Given in Full in the Policy Analysis Section of The A & H Bulletins, Published Monthly by The National Underwriter Company.

ZURICH GENERAL

The Zurich General is issuing three new policies, the "perfected accident," the "perfected disability" and the "hospital travel automobile accident and limited sickness" policies. The perfected accident policy is written to pay weekly indemnity for total accident disability for not exceeding 104 consecutive weeks. The insuring clause of a policy is written to provide protection against loss resulting from bodily injuries effected "by the happening of a purely accidental event." All regular indemnity clauses of accident policies are included in this form. The perfected disability policy gives the same coverage in its accident provisions as the perfected accident policy. It is written with a 14 days' elimination period for the illness coverage and to provide 52 weeks

MERCHANTS FIRE TO HAVE RUNNING MATE

NEW COMPANY IS ORGANIZING

Merchants Indemnity Will Write Public Liability, Property Damage, Theft, Burglary, Plate Glass

Notice of institution to incorporate the Merchants Indemnity, which will be a running mate of the Merchants Fire, to transact the classes of business authorized under subdivisions 3, 5 and 6 of section 70 of the New York state insurance law is being published. Under the subdivisions named the new company will write public liability, property damage, burglary and theft and plate glass business.

To Stress Automobile Business

A. C. Noble, president of the Merchants Fire, announces that the new company will begin with \$400,000 capital and \$400,000 surplus. At the outset the new corporation will give most attention to automobile business.

The following are the incorporators of the Merchants Indemnity: Edward L. Ballard, Walter F. Brady, Robert H. Breninger, William B. Carter, Bertram Cutler, William B. Dressner, Joseph L. Leffson, F. J. Shepard, Stephen C. Millett, Alfred A. Moser, A. C. Noble, George F. Warch and G. A. Ziemann.

The directors then decided to issue the second \$500,000 at \$20, or twice par. The authorized increase has almost all been paid in, and it is expected will be fully paid in by Jan. 1.

A. H. Scholz Joins Georgia

A. H. Scholz has been placed in charge of the casualty department of the Chicago branch office of the Georgia Casualty. Mr. Scholz has a wide acquaintance among the agents and brokers in the city. He was with the branch office of the London Guarantee & Accident for a period of three years, with which company he started his insurance career, and then associated himself with the Aetna Casualty & Surety, where he worked as an underwriter for a similar period. Before going with the Georgia he was connected with the Chicago office of the Metropolitan Casualty.

Wants City's Autos Insured

City Auditor Otto of Columbus, O., has recommended to the city council that insurance be taken out on the city's automobiles because of the large number of damage claims that are being filed against the city as the result of accidents.

NEXT YEAR TO BE GOOD FOR CASUALTY BUSINESS

CHICAGO MEN VOICE COMMENT

Expect Increase in Auto Premiums Presidential Election Year Not Given Much Thought

The casualty outlook for 1928 is very good, according to the opinion of several Chicago branch office managers. The presidential election year bugaboo is not causing much consternation as the premium figures for the last two election years show no ill effects. The large and older companies will probably not show a very great advance as there are as many new companies in the field getting their share of the business. With the advent of the new Ford it is thought that the automobile premiums will be greatly increased, but this will be offset by the high loss ratio.

Branch Manager William R. Mooney of the Republic Casualty said that the business in the industrial fields is depressed during the presidential year, there is a chance that the compensation business will be affected. Since the compensation business is governed by the size of the payrolls, the premium income may be lower. The losses are increased when lack of employment is evident. Workmen who have very little prospect of steady work continue disability as long as they are able because they are not assured of any other income.

R. S. Chaloner, Chicago manager for the Norwich Union Indemnity, was very optimistic over the prospects for 1929. He predicted that the plate glass business will show the largest net income next year. Mr. Chaloner said that he can continually increase his premium income by adding new agents, and this method must be used as it is very seldom that old agents bring in much new business.

B. H. Bartholomew, resident manager for the New Amsterdam Casualty, commented on the difficulty in making collections during 1927 and he hoped would be better in 1928. R. N. Douglass of Blackwell & Douglass, managers in Chicago for the Constitution Indemnity, was very enthusiastic for 1928. His office has increased 100 percent during the past year and expects to do the same during the next. It will depend upon bonds to bring the expected increase. Mr. Douglass said that the burglary business is not very good and his office didn't write much accident.

Christmas Party for Orphans

The Sentinel Life and the Employers Indemnity gave a Christmas party last week for more than 50 children from orphan homes and day nurseries in Kansas City. For many years this has been a custom with the employees of the Employers, and this year the two companies staged the party. They gave shoes and clothing to the children, and Santa Claus appeared to present the toys and Christmas gifts from the tree. The fund for this annual party is made up by the employees.

Adickes Gets National Surety

The National Surety has named the Thomas Adickes Agency its general agent at Raleigh, N. C. Mr. Adickes, head of the agency, is one of the largest producers of surety business in the state. A native of South Carolina, after finishing his schooling days he was curator of the state museum for a time. Seeking a more active connection he entered the life insurance business as district agent and agency manager for the Equitable Life, so continuing for six years. Since 1925 he has conducted a general agency at Raleigh, developing in that time a fine line of surety and casualty business, in which work he had the effective aid of Ernest P. Hough. The latter is a Mississippian by birth. During the war he served as a wireless operator, subsequently becoming a naval ensign.

AMERICAN CASUALTY

The American Casualty has completely revised its policies. It now issues 14 forms in its commercial department. All sickness or disability policies are written with or without elimination periods. The company quotes rates for one week, two weeks and three weeks' elimination periods.

WORKMEN'S COMPENSATION

HOLD HEARING IN MISSOURI

Consider Compensation Experience Rating Which Is to Be Effected After First of Year

H. B. Allen, chief rater of the Missouri insurance department, and Robert E. Daly, actuary, held a hearing in Kansas City on Dec. 21, for the purpose of considering the compensation experience rating for Missouri, which is to be effective after Jan. 9. The meeting was requested by the workmen's compensation committees of the Associated Industries of Missouri, and all the cities in the state with such committees were represented. A number of insurance men attended the meeting on the invitation of their assureds.

The proposed plans of the National Council in preparing special rules for the application of the universal compensation rating plan, were presented and discussed. The meeting gave employers and insurance men an opportunity to discuss the situation with the insurance department. No definite action was taken, since it will be some time before the insurance department has to make a decision. However, it is expected that some plan will be adopted soon after Jan. 9 when the experience rating becomes effective, in order that the assureds and the agents may begin preparing their data on which the experience rating will be based.

Anchor Casualty's Progress

ST. PAUL, Dec. 28.—The Anchor Casualty, organized by Minnesota employers a year ago to write compensation insurance, has notified its stockholders that its first year's business will enable it

to pay a substantial dividend and add to its surplus fund.

At the annual meeting held the past week in St. Paul, it was announced that the company's business exceeded expectations for the first year, with total premium income of more than \$200,000 and an expense ratio of less than 20 percent.

The Anchor is a stock participating company with capital of \$100,000 and surplus of \$50,000. The company will close its first year with assets of practically \$250,000, W. H. Schmelzel, vice-president, said.

Kansas Hearing Again Postponed

TOPEKA, KAN., Dec. 28.—The final hearing on the reargument of the Kansas compensation rate case has been postponed until Jan. 9. It was set for Jan. 4, but the postponement came from the state as one of the inspectors who has been working in the case since the new law was enacted could not attend at the earlier date.

Commissioner Baker is receiving a great many protests against the present rates and the basic schedule used by the companies. These protests are coming from employers who have had their rates raised. The basic schedule has been approved by the department. Of course, the department is not hearing from employers who have had their rates reduced.

The employers are preparing to go into court, if they can find a way to do it, to force a reduction in compensation rates or changes in the basic schedule if the department does not order a decrease in rates following the hearing next month.

Would Liberalize Virginia Law

RICHMOND, VA., Dec. 28.—Liberalization of the state workmen's compensation law will be sought by the Virginia federation of labor at the session of the general assembly in January. The legislative committee of the federation, at a

meeting in Richmond last week, tentatively decided to endeavor to raise the maximum compensation from \$12 to \$20 a week, to lower the minimum number of employees from 11 to five or six, and to lower the waiting time from two weeks to one week. A conference, it is stated, may be held between the committee and representatives of employers before the legislature meets, with a view of reaching an agreement with regard to these matters. The committee plans to hold another meeting early in January.

May Ask South Dakota Increase

PIERRE, S. D., Dec. 28.—While no

definite steps have yet been taken, with exception of one mutual, the state insurance department has information that companies writing workmen's insurance risks in South Dakota propose to file notice of an increase in premium rates on schedules which they believe are too low. Just what schedules will be affected will not be known until some definite action along the lines they suggest has been taken.

Under the legal requirements of South Dakota, any increase is filed with the commissioner and such increase stands unless on complaint and hearing it is shown that the increase is unreasonable and excessive.

WITH BURGLARY UNDERWRITERS

LOSS RATIO IS FAVORABLE

National Bureau Burglary Division Is to Recommend that Present Rates Remain Unchanged

NEW YORK, Dec. 28.—Tabulated experience discloses that losses on practically all the burglary lines are within permissible ratios. The governing committee of the burglary division of the National Bureau of Casualty & Surety Underwriters, therefore, will recommend to the divisional members at the general meeting to be held here Jan. 4 that present rates for bank burglary, bank robbery, mercantile open stock, mercantile safe, and messenger, paymaster and office help remain unchanged. There will be a slight downward revision in the tariffs on residence business in a few territories, but these will be comparatively unimportant.

According to general report the volume of premiums produced by the burglary line this year will not be appreciably greater than that produced in 1926, when the aggregate was slightly in excess of \$31,000,000. The majority of

the companies will about hold their own in the line, such offices as will show an increase admitting that it will be too slight to mention.

The business has been devoid of special incident during the last 12 months. There were no sensational losses and no radical changes in underwriting practice or rates. Never, perhaps, in the history of the line has there been a finer spirit of cooperation shown by the associated offices. To this fact the generally satisfactory condition of the business is attributable.

Company Loses Salt Lake Case

SALT LAKE CITY, UTAH, Dec. 28.—The jury in the case of William Schuchbach, Salt Lake City jeweler, against the American Surety to recover \$35,000 for goods taken from his safe last March by burglars, returned a verdict for the plaintiff.

The jeweler's chief clerk and his parents were held up in their home by bandits who obtained the combination to the store's safe, as well as taking the keys, by threatening to kill the family if an incorrect combination were given.

The company denied liability on the ground that the jewelry was taken from the safe, if taken at all, without vio-

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lence to the safe, a condition of the policy. The jeweler replied that the equivalent of violence had been used and related the story of the holding up of the chief clerk of the store and his parents. Moreover, it was held that there were marks on the safe which showed that some force had been used in opening it in addition to the use of the combination, obtained by threats of death.

In commenting upon the case last night, a local evening paper in its leading editorial criticizes the company for seeking "to evade payment on a technicality."

Another Arrest in Minnesota Case

ST. PAUL, Dec. 28.—Another arrest has been made in the Ironton bank robbery case in which a large amount of burglary insurance was paid following the holdup several weeks ago. P. J. Long, former mayor of Ironton and a member of the Minnesota legislature for five terms, has been accused along with A. H. Proctor, cashier of the bank. Long pleaded not guilty when arraigned. Long is accused of accepting stolen money from Proctor and hiding it.

About \$35,000 was obtained in the holdup, of which about \$10,500 has been returned.

Prompt Payment on Bank Loss

The Chesterfield County Bank of Chester, Va., was held up and robbed by three bandits traveling in an automobile at 3 p. m. Dec. 21. At 6 p. m. the following day, Gibson, Moore & Sutton, Richmond agency, representing the Maryland Casualty, in which the bank was insured, settled the loss in full, presenting a check for \$4,722. This is believed to be a record for settlement of such a loss in Virginia. Capitalizing the incident, the agency published a photostatic copy of the check in the Richmond papers. The robbers succeeded in making a getaway, going in the direction of Danville.

Theater Safes Targets for Burglars

Theater safes are regarded as very poor risks from a burglary insurance standpoint. The theater is open Saturday evening, and ordinarily the management finds it impossible to bank the pro-

ceeds until Monday. If the theater is open on Sunday night, as is the case in most cities, there is a further accumulation of funds. After this performance the burglar is sure to find cash in the safe and it is on Sunday night that the

majority of theater safes are cracked. Ordinarily a safe in a theater is not a good risk, but if a good burglar proof equipment is in use the insurance may be written. Of course if a watchman is provided the risk is much better.

ACCIDENT AND HEALTH

"FREE" POLICIES ASSAILED

Massachusetts Commissioner Inquiring Into Methods Adopted by Two Unlicensed Companies

BOSTON, Dec. 27.—Commissioner Monk of Massachusetts has written to the Continental Life of St. Louis and the Inter-Southern Life in regard to their alleged issuance of travel accident policies to persons residing in Massachusetts under an advertising contract said to be sold in this state by agents of the National Advertisers Syndicate of Chicago, and also to the syndicate, informing them that the proposition involves a violation of section 160 of chapter 175 of the general laws.

The contract issued by the syndicate is, it is said, sold to merchants who thereunder purchase a certain number of "advertising cards" for distribution to their customers. A customer presenting a certain number of these cards to the merchant is entitled to a "free" accident policy issued by one of said companies, on filling out a "registration card," supplied by the merchant, which is an application for the policy. The syndicate in its contract with the merchant agrees to pay him 20 cents for each policy issued.

The named insurance companies are not licensed in Massachusetts and the commissioner holds that the agents of the syndicate selling its contract in Massachusetts, and any merchant distributing said "advertising" or "registra-

tion cards" are "acting or aiding in some manner" in negotiating any policies which may be issued to customers of the syndicate's subscribers, since they bring about the making of the contract between the subscriber's customer and the unlicensed foreign company.

The commissioner has also notified one subscriber and one of the syndicate's agents that they are exposing themselves to criminal prosecution under section 160.

MUST WATCH WOMEN AS RISKS

Fidelity & Casualty Officer Says Married Women Who Work Tend to Prolong Disability

NEW YORK, Dec. 14.—In the opinion of Vice-President W. McK. Hillas of the Fidelity & Casualty, the existing practice governing the writing of accident and health insurance on women should be changed to meet present-day conditions. Women in ever-greater number, he states, "continue in business after their marriage, with the result that not being wholly dependent upon their own earnings for a livelihood there is a tendency to prolong disability." Under a regulation of the Fidelity & Casualty "married women living with their husbands; married or single women in the employ of relatives; women who conduct their business at their place of residence, or women working on an intermittent or fee basis, are not entitled to policies paying weekly indemnity benefits." This is made upon the theory that they do not resume employment as promptly as do their single sisters, or those not in the service of relatives, and seasonal or intermittent employment tends to encourage claims during dull seasons.

Soliciting Women Unprofitable

Generally speaking, casualty underwriters pay little attention to soliciting accident or health business from women. Agents declare that effort put forth in that direction is largely wasted. The class of women workers that buy accident or health policies more largely than any other are school teachers, with nurses coming next. Actresses are so temperamental that few offices care to accept their risks, while the average stenographer or office employee regards her position as one to be held merely until she marries, and meantime is unwilling to part with the funds required for premium payments. It may be that in the steady evolution of the economic world the day may come when women workers will be interested enough in the subject of accident and health protection to buy indemnity in such volume as to afford a proper spread of the business and to warrant casualty companies in making a drive for such risks.

RIGHT OF WAY NOT HIGHWAY

Injuries Received While Walking Between Railroad Tracks Not Covered, Georgia Court Holds

In Jones vs. Continental Life, Court of Appeals of Georgia 139 S. E. 911, the company issued a policy which provided indemnity against death or disability from accident received while on a public highway. The insured suffered an injury while walking on a railway company's right of way between the tracks. The company denied liability on the ground that the accident was not covered by the policy.

In the trial court judgment was ren-

dered for the company. On appeal the higher court, in affirming this judgment, said:

"An insurance policy which indemnifies the insured against death or disability resulting from bodily injuries effected through violent and accidental means provides for indemnity where the insured is 'struck or knocked down or run over while in or on a public highway, by an automobile, or any vehicle propelled by steam, cable, electricity, naphtha, gasoline, horse, compressed air or liquid power (excluding injuries sustained while on a railroad right of way in violation of any statute, or any regulation of the railroad company)'. Held: 'A public highway' does not include railroad track or the space on a railroad's right of way between two parallel tracks of a railroad company.

"In a suit by the insured against the insurer, to recover under the policy, where it is alleged that the plaintiff received an injury from being run over by a moving railroad train, under which he fell while walking between two parallel railroad tracks on a railroad's right of way, the petition set out no cause of action, and was properly dismissed on demurrer."

Great Western's Housewarming

The Great Western of Des Moines will hold a formal opening in its new home office building on Grand avenue, Jan. 21, according to an announcement by President H. B. Hawley. Friends, visitors and policyholders will be shown the new building by special guides. Workmen have already begun moving office equipment and fixtures from the old offices in the Hubbell building.

Plan for National Casualty

As is known, the National Casualty of Detroit will on Jan. 1 branch out into a multiple line casualty and surety company. Its old health and accident business, largely on the industrial plan, will be conducted from the home office. The Continental Casualty, which will look after the underwriting of the other lines, will sell commercial accident and health policies for the National Casualty. It will adopt the same policies as the Continental Casualty for this department. The National Casualty will not sell any form of non-cancellable health and accident insurance.

Mountain States Accident Writings

The accident department of the Mountain States Life of Hollywood, Cal., will close the year with more than 1,500 issued policies, about 80 percent on the quarterly plan and 20 percent on the annual basis. This department sold its first policy July 27, 1927. M. O'Sullivan, the department manager, reports that plans are being laid to write 12,000 policies or more in 1928.

Sunstroke "Accident" Claims

Though the question of whether a sunstroke can be construed as an accident, several courts having decided that it could, is still a matter of controversy. It is believed that in view of the latest medical developments it would now be possible to combat the accident theory very successfully. Recent researches have shown that it is entirely a matter of the susceptibility of the individual. As is well known, two men can walk side by side in the sun and where one of them will be prostrated, the other will feel no bad effects whatever. If the disability were the result of "accidental means," this would hardly be the case. Accident and health claim adjusters have noticed that sunstroke claims have been rather fewer since the advent of prohibition. It has been a noticeable fact that in a very large number of cases of this sort the victim was a regular user of alcoholic liquor.

Accident Notes

License has been issued by the Texas department to the Lone Star Health & Accident of Fort Worth. It is an assessment company with no capital stock.

The Great American Mutual of Wichita Falls, Tex., has amended its charter, changing its name to the Great American Accident and its headquarters to Dallas.

General Agent D. R. Mason for the Aetna Life in New York has been given

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Harry C. Mitchell,
President

a general agency for the accident and health and group disability lines, which privilege will be shared with the casualty departments.

George B. Sorrells, general agent for the life department of the Aetna Life at

Columbia, S. C., has also been given the privilege of writing accident, health and group disability business, but not exclusively, sharing the rights with the casualty department of the Atlanta branch office.

AMONG SURETY MEN

WANT HOME RULE LIMITED

Some Surety Companies Object to Listing Their Agents With Local Association Committee

No doubt the national agency committee which has charge of fidelity and surety acquisition cost felt that the arrangement that had been agreed to between the Chicago Surety Underwriters Association and a sub-committee that visited that city for the companies gave too much authority to the local committee. Some companies objected to registering a list of their agents with a Chicago local committee. While they would list their agents at national headquarters some of the officials declared very emphatically that they would refuse to have branch office managers or general agents in Chicago passing on the legality of their agents.

The Chicago Surety Underwriters Association felt that its executive committee, which was made its acquisition cost committee, would iron out most of the local difficulties and could work out the problem far more satisfactorily than if hampered by home offices. If it were found that there was a dispute an appeal could be taken to the sub-committee of the national agency committee. In Chicago there would be two classes of commissions, 20 and 30 percent. However, a number of companies have 25 percent contracts out. There naturally would have been requests for exceptions, both as to number of general agents and as to retention of the 25 percent agents. Some companies have had more than the allotted number of general agents in Chicago for many years. It was the feeling that they should be allowed to retain these, but other companies insisted that they be permitted the same privilege. Company officials therefore felt that the local committee might become involved in a number of difficulties.

It seems that the casualty acquisition cost plan for Chicago places the authority in a Chicago sub-committee of the national agency committee that can work as it desires with the local Chicago committee, but the latter does not primarily attempt to adjust differences or complaints unless authorized by the company committee. The company officials evidently feel that they do not desire to become entangled with home rule. They feel that so far as passing on violations of the acquisition cost rules is concerned, it must be purely a company matter. Some companies at the New York conference stated very plainly that they would refuse to register a list of their agents with any local committees.

Continental Casualty's Big Bond

The Continental Casualty has written the bond amounting to \$2,149,500, running to the sanitary district of Chicago for Tully & Costello, the contractors who are to build the North branch pumping station at Lawrence avenue and the Chicago river. The premium on this bond will run upwards of \$33,000. J. A. Mudd, Jr., connected with the Continental Casualty's city office, secured the business.

Association Favors Contractors

The Surety Underwriters Association of Philadelphia has endorsed the proposal of the Contractors' Association of Philadelphia to have the city agree to permit contractors doing municipal work to include the surety bond premium as a lump sum in the initial estimate of work completed under contracts. Under the present system the contractor must pay the premium in a lump sum within 30 days of the start of work, but can collect it back from the city only in small monthly installments as the work progresses.

BANKERS DEMAND A RAKEOFF

Surety Men Complain of the Growing Practice in the Selling of Blanket Bonds

Chicago surety managers say that the competition for bankers blanket bond and bankers business in general is growing and the tendency to allow a rakeoff to the banker is becoming very common. The trouble is traced largely to some of the big fire insurance agencies that do a surety business. The bank probably is responsible for a large amount of casualty and surety premiums and accordingly the rebate of the bankers bond commission is allowed the bank. This practice is growing more and more. The bankers now feel that they can get a discount by dealing with certain offices. The regular surety offices therefore are handicapped in dealing with the banks. Some companies are having rather unfavorable experience on Chicago banks under their bankers blanket bond, especially due to forgery losses. One manager stated during the week that he had about reached the conclusion that he would be glad to turn over his entire Chicago bankers blanket bond business to anyone that would take it off his hands. Under present conditions he sees no hope of remedying the situation.

RECENT SURETY DECISIONS

Cases That Have Been Before the Courts Involving Points in Dispute in Claims

Where a bond was given to the state under the provisions of Section 6832, Compiled laws of 1913 and the Supplement, conditioned for the payment of claims against the contractor on account of labor or materials furnished in and about the performance of a contract for a public improvement, held that any person having a claim against the contractor or subcontractor could sue in his own name upon the bond. A bond does not protect one furnishing material to the contractor to be used merely for the construction and repair of equipment. *Piper-Howe Lumber Co. vs. Padgett Sup. Ct. N. D.*

Held that the surety on an indemnity bond given to secure a deposit of county funds is entitled to share pro rata with general creditors in the payment of dividends from the assets of the insolvent bank. Both the depository's sureties and the official sureties, under the circumstances, are entitled to subrogation to the rights of the county, not only to unpaid and future dividends upon the entire claim of the county, but to the collateral security in proportion as their payments went to discharge the debt of the bank to the county. *U. S. Fidelity & Guaranty Co. vs. McClintock, U. S. Dist. Ct., Dist. of Wyo.*

Where the surety on a contractor's bond given to the state highway commission has expressly obligated itself to pay the material men and laborers in the terms of the bond given therefor as required by the statute, held that the surety's liability extends to groceries furnished the contractor for the supply of the men employed only when such are shown by the evidence to have been necessary under the circumstances of the case, and where the complaint sufficiently alleges the facts tending to show this as a necessity, but there is

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insufficient evidence to support the allegations, a demurrer to the evidence on the trial will be sustained. Wilson-Stamey Grocery Co. vs. Ross, Sup. Ct., N. C.

Stock Dividend Recommended

At a special meeting to be held Jan. 3, directors of the Massachusetts Bonding will consider the recommendation of the finance committee that the annual cash dividend be increased from \$12 to \$14 and that a 16 2/3 stock dividend be declared on the present capitalization of \$3,000,000.

It also is proposed that following adoption of the recommendation, 5,000 new shares be offered present stockhold-

ers at \$300 a share. Of the amount produced by this sale \$500,000 will be added to capital and \$1,000,000 to surplus and undivided profits. The total capital fund will then be \$4,000,000 and the surplus and undivided profits account \$4,500,000. It is expected that the new stock will be issued as of March 31.

Defer Acquisition Cost Discussion

MILWAUKEE, Dec. 28.—Discussion of the acquisition cost rules was dispensed with by the Surety Underwriters' Association of Milwaukee at its meeting Friday, due to the holidays, and nothing will be done about the rules until the meeting on Jan. 6. The association will hold an informal holiday party in place of the regular meeting this week.

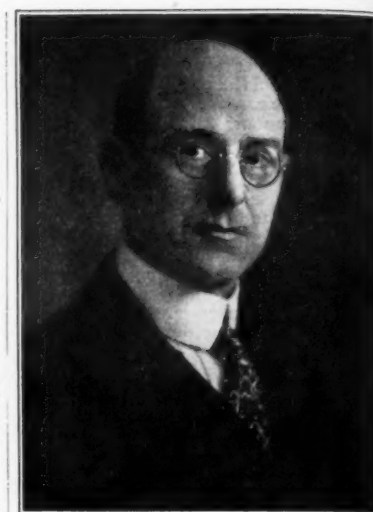
PERSONAL GLIMPSES OF CASUALTY MEN

Charles H. Burras of Chicago, head of Joyce & Co., managers of the National Surety, and president of the National Association of Casualty & Surety Agents, has been elected president of the famous "Forty Club" of Chicago. This is a social organization established 40 years or so ago by prominent Chicago business men. Mr. Burras has been secretary for 21 years. He was elected president following the death of Wilbur D. Nesbit, the well known advertising man and writer. The other presidents have been W. T. (Biff) Hall, George Ade, Judge John Barton Payne, Mr. Nesbit and now Mr. Burras.

Frank M. Feffer, vice-president of the Abraham Lincoln Life of Springfield, Ill., is receiving congratulations on the recent arrival of a little daughter, Carol. The Feffer family already included two boys but this is the first daughter.

George W. Havens, a member of the firm of Kaler, Carney, Liffler & Co. of Boston and for many years manager of the Boston office of the Maryland Casualty, died there Tuesday after two weeks' illness. He secured his early insurance experience with the John C. Paige Co. office, which he entered 36 years ago. When the Maryland Casualty entered the office of Simpson, Campbell & Co., Mr. Havens went with that firm in charge of casualty business. He was admitted to Kaler, Carney, Liffler & Co. six years ago, continuing his brokerage firm of Havens & Co. He served two terms as president of the Massachusetts Casualty Underwriters Association.

Frank T. B. Martin, the new president of the Insurance Federation of America, was born in Galesburg, Ill., in 1876. His father was T. B. Martin, local agent in Galesburg. He went to Omaha in 1898 to see the Trans-Mississippi Exposition. He was impressed with the city and the opportunities it afforded. He entered the agency of Martin, Perfect & Newman. His brother, C. W. Martin, was head of the firm. He became a clerk in



**FRANK T. B. MARTIN, Omaha
President Insurance Federation**

the agency. In 1904, when Mr. Newman died his interest was purchased. Later on E. R. Perfect sold out and the name was changed to Martin Brothers & Co. Frank Martin is president of the Insurance Federation of Nebraska. He has served in that capacity for five years. He has also been president and secretary of the Nebraska Association of Insurance Agents.

The **Globe Indemnity** has gotten out in booklet form a history of the organization entitled "After 15 Years." On the title page is an etching of the main entrance to the home office building, at Newark. The introduction was written by Thomas C. Moffatt of Newark, one of the general agents who was formerly president of the National Association of Insurance Agents. It is a gripping story of the organization and development of one of the great companies of the country that has achieved remarkable success under the leadership of President and General Manager A. Duncan Reid.

Faces Judgment for 20 Years

MILWAUKEE, Dec. 28.—As a result of court action by Circuit Judge Schinz here last week, Edwin Mintzlaff will have a \$5,000 judgment hanging over him for the next 20 years because of an automobile accident five years ago. He ran down two girls with his automobile, killing one and permanently disfiguring the other. The plaintiff in the suit was the girl who has been disfigured and she was awarded \$5,000 damages, but under the present financial condition of the defendant she will not be able to collect. The judgment is good for 20 years, however. Mintzlaff was convicted on a manslaughter charge and sentenced for five years on March 6, 1923, but was pardoned four months later by former Governor Blaine.

U. S. F. & G. Stock Going Up

BALTIMORE, Dec. 28.—A gain of nearly 18 points last week in the market price

of United States Fidelity & Guaranty stock revived reports that directors of the company, at their meeting Jan. 4, will either raise the regular dividend rate or authorize the payment of an extra.

The company for the past two years has been paying dividends of 18 percent regular and 2 percent extra. It is rounding out the most profitable year in its history, having added \$2,250,000 to surplus out of earnings for 11 months. Premiums written the first 11 months exceeded the total for the corresponding period in 1926 by \$2,250,000.

Miller & King Make New Connection

Miller & King of New Orleans have been appointed general agents of the Massachusetts Bonding for Louisiana. E. N. Cobb, who has had much experience in the bonding field, has been appointed manager of the fidelity and surety department of the firm. The firm does a general insurance business.

TEND TO GIVE PENSION TO THE DISABLED MEN

ADJUSTERS NOTE THE COURSE

Compensation Companies Often Called
on to Assume Liability for Injury
Formerly Incurred

Many casualty adjusters say that owing to the liberality of the state supervising board that adjusts compensation insurance disputes there is a growing list of what might be called pensioners who are really not entitled to benefits. An employee may be pretty well along in years and has had some growing affliction. He meets with an injury and he claims that it is the sole cause of the injury. He is awarded benefits which will probably last through life because at his age recuperation is slow and in many cases recovery is impossible. Adjusters say that these state boards are becoming more and more liberal. They find for the injured employee regardless of the merits in the case.

An instance was cited recently where a man of mature years made a claim because of an injury in a factory. An X-ray examination revealed the fact that he had contracted a chronic malady which had affected him. The injury undoubtedly intensified the ailment. It was not however the cause of it. Later and before the compensation company made settlement it was found that this man was injured in a taxicab accident. It was discovered that he made an affidavit that the taxicab injury was the sole cause of his injury and that he had never had any indications of it before.

Plate Glass Claims at Pittsburgh

NEW YORK, Dec. 27.—Plate glass companies that were involved to any considerable extent through the explosion of the gas containers of the Equitable Gas Company of Pittsburgh, some six weeks ago, have asked their assureds not to sign waivers of liability if the form contain any reference to plate glass loss, as such action would preclude the taking of subrogation against the corporation primarily responsible for the damage. The insurance companies are still prosecuting their claims for losses suffered as a result of the powder explosions at Morgan, N. J., and those at Black Tom Island in New York City harbor, both of which disasters occurred several years ago, and are hoping that "eventually if not now" they will be able to recover.

New Mutual Announces Changes

BOSTON, Dec. 28.—Graff W. Simmonds of New Bedford, formerly of the Simmonds & Co. agency of that city and formerly president of the Bristol Mutual Liability, has resigned as vice-president in charge of production of the recently organized Massachusetts Mutual Liability of Boston. His duties have been assumed by Executive Vice-president Alfred N. LaBrecque.

G. E. Mayall, formerly of the Metropolitan Casualty, has taken charge of the company's claim department. William Ferguson, formerly of the Employers Liability underwriting department, has taken charge of the underwriting and Irving G. Hollander is manager of the taxicab division.

The company has appointed as special agents Robert P. Zanes, William Neeley and John Hughes. John Burns is claims attorney.

Charter of the Virginia Life & Casualty of Richmond has been amended changing the par value of its stock from \$100 to \$25 per share.

The A & H Review
IS THE
ACCIDENT AND HEALTH
MAN'S PAPER
\$2.00 A YEAR CHICAGO



"The Company known for real service"

Starting in the Agency department and going on through inspection, underwriting, accounting, payroll audit, claim and all other departments.

Let us tell you more about our ideals of service.

CENTRAL WEST CASUALTY COMPANY DETROIT, MICHIGAN

Surplus to Policyholders,
December 31, 1926, \$1,375,069.61

WE WANT LIVE WIRE INSURANCE MEN

Highest commissions paid to those who can produce and organize a territory. We give better and more protection for the same money than any other company; also better service to policy holders and agents.

IF YOU CAN PRODUCE,
WE NEED YOU

**INCOME GUARANTY
COMPANY**
(Stock Company)

Drawer 422 South Bend, Ind.

OPPORTUNITIES

REINSURANCE ARRANGEMENT WANTED

A progressive Health and Accident Insurance Company of Colorado would like to close a reinsurance deal with some reliable Health and Accident Insurance Company, reinsuring about 75 percent of the principal sum and possibly 50 percent of the Monthly Indemnity. Address D-4, Care The National Underwriter.

Executive Wanted

An executive for an accident and health insurance company, who upon being shown great possibilities, would be willing and able to put up his share of the money for the rapid development of the business. Address D-2 Care The National Underwriter.

A Substantial Conservative

Automobile Company

All Forms in One Policy

ILLINOIS MOTOR CASUALTY COMPANY SPRINGFIELD

J. L. PICKERING, President

Policyholders' Surplus Over \$375,000.00.

New Amsterdam
Casualty Company

**A Progressive
Surety and Casualty Company**

The A & H Review

A monthly magazine for health and accident salesmen. \$2 a year.

Accident and Health Agents!

Before you insure your client's **MOST IMPORTANT ASSET—his income**—be sure that you represent an accident and health insurance company that includes these **THREE ESSENTIALS** in its service program:

Liberal coverage policies,
Reasonable premium rates,
Prompt claim settlements.

Discriminating agents will like to represent the **NATIONAL CASUALTY COMPANY** because this kind of service assures success.

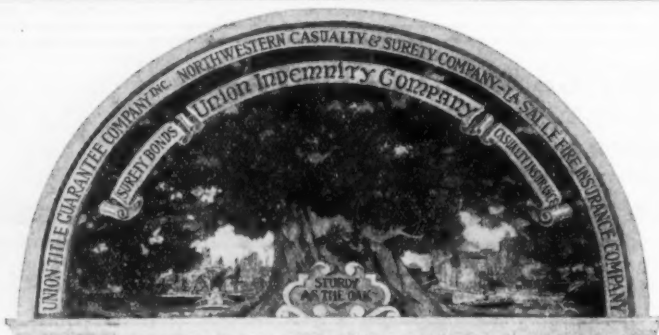
We have some splendid open territories for **REAL** producers. If you belong to this class, we have something that will appeal to you. Address:



NATIONAL CASUALTY COMPANY

Detroit, Michigan

W. G. Curtis, President



Union Indemnity Company

NORTHWESTERN
CASUALTY AND SURETY COMPANY

EXECUTIVE OFFICES: Union Indemnity Building, New Orleans
EASTERN DEPARTMENT: 100 Maiden Lane, New York

Re-Insurance
Excess Re-Insurance
Catastrophe Hazard

DEE A. STOKER

RE-INSURANCE UNDERWRITER
111 W. Jackson Blvd. CHICAGO

All Lines but Stressing Excess Fire Reinsurance General Classifications



Write for
Territory in
Central States

\$1,000 Accident Coverage with Every Automobile Policy
AT NO EXTRA COST!

THE AMERICAN GUARANTY CO.
COLUMBUS, OHIO

AUTOMOBILE INSURANCE
Full Coverage in One Policy

FIDELITY AND SURETY BONDS

MR. EXECUTIVE
SAVE ON PAYROLL AUDITS
RESIDENT AUDITORS

AT
SAN FRANCISCO
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DES MOINES

ATWELL & VOGEL

C. G. ATWELL, Mgr. 4616 Bruce Avenue MINNEAPOLIS, MINN.
B. F. VOGEL, Mgr. 4943 No. Hoyle Ave. CHICAGO, ILL.

Jan 1st. 1930

By that time every agent in your city will be selling our plan of **DEFERRED PAYMENT INSURANCE**. Why not get the jump on them and also increase your volume of business? Our plan is **SOMETHING NEW** and appeals to every merchant selling goods on time. We have users in every line of business, from aeroplanes on down.

Write us **AT ONCE** as our territory contracts are exclusive.



THE GUARANTY LIABILITY CO.

1341 Third National Bldg.,
Dayton, Ohio

EXPLOSION IN FIRE BOX NOT COVERED

CASE TRIED—INSURED LOSES

Court Holds Contract Clearly Defined
Parts of Policyholder's Power
Plant Protected

In Hartford Steam Boiler vs. Kleinman, court of civil appeals of Texas, 293 S. W. 894, plaintiff brought an action on a boiler policy. The policy contained the following terms:

"3 (a) The term 'explosion' as used in this policy is understood to include a rupture and a collapse; and either 'explosion' or 'rupture' shall mean only a sudden substantial tearing asunder of a boiler described in the schedule, caused by pressure of steam, or by internal pressure of air, gas or liquid if the boiler is described in the schedule as containing it; (b) and 'collapse' shall mean only a sudden crushing or forcing inward of the furnace or the flues of the boiler, so caused; (c) and the word 'boiler' as used in this policy is understood to include also its steam pipe, feed pipe and blow-off pipe up to, and including, the nearest stop valve; also the water column and its connections with the 'boiler,' the steam and water gauges, and the safety valve; and 'boiler' is understood to mean also any vessel or other apparatus which is subject to internal pressure and which is described in the schedule on this policy."

Gas Causes Explosion

Following the loss it developed the explosion was caused by gas in the fire box and stack. The flue was heated by gas and in some manner there was a leakage which during the night filled the fire box and stack. The following morning when the operator undertook to light the gas jet the explosion occurred.

The explosion caused slight damage to the boiler, the principal damage being to the wall through which the flue extended. The company took the position that on the facts the damage suffered was not covered by the policy, and in support of its contention pointed to the provision of the policy quoted. The trial, however, resulted in a judgment in favor of the plaintiff. On appeal the higher court in reviewing the record, and in reversing this judgment, said:

Heating Plant Affected

"The fire box and stack were parts of the heating plant, but not parts of the boiler described in the policy. Especially is this true in view of subdivision (c) of paragraph 3, wherein was stated what the word 'boiler' was understood to include. The explosion having occurred in the fire box and stack from gas there accumulated, the resulting damage is not protected by the policy."

"The only stipulation in the policy relating to gas explosion is subdivision (a) of paragraph 3. But this has application only if the boiler is described in the schedule as containing it, and the schedule does not so describe the boiler. Appellees say that the word 'it' in such subdivision refers solely to the last antecedent 'liquid.' This position is based on the grammatical rule referring a relative word to its nearest antecedent, unless the contrary intention appears. The word 'it' was perhaps not very correctly used, but the context shows it did not have the limited reference contended for by appellees."

"Being of the opinion that the loss sustained in the manner shown by the evidence was not covered by the policy, the judgment is reversed and here rendered for appellant. Reversed and rendered."

"What is a lawyer's contingent-fee? It's like this: If his client loses, the lawyer gets nothing. If his client wins, the client gets nothing."

The road before the auto-car of progress is not always macadamized.

COMPULSORY LAWS ARE CAUSING MORE CONCERN

(CONTINUED FROM PAGE 35)

laws, provided no right of action or judgment arising out of the operation of a motor vehicle is then outstanding against him.

Commissioner May Revoke License

For failure to furnish such proof when required the commissioner may suspend or revoke the license of the person in default or suspend or revoke the registration of the motor vehicle involved or refuse registration to any motor vehicle owned by such person, or, in case of a non-resident, withdraw his privilege of operating a motor vehicle, or to have operated any motor vehicle owned by him, in the state.

Upon request, the commissioner must furnish insurance companies the operating records of any person subject to the act, and must furnish injured persons information of proof of responsibility furnished him.

Penalties are provided for forging proof of financial responsibility, failure to return number plates, etc., and the commissioner is empowered to make rules and regulations necessary to carry out the provisions of the act.

New York Indemnity Appointments

The New York Indemnity announces the appointment of the following general agents: R. B. Rodehaver, at Sacramento, Cal.; Alexander E. Phillips at Washington, D. C.

Schenck & Schenck of Jersey City have been appointed general agents for the New York Indemnity for its casualty lines.

Travelers Milwaukee Changes

H. C. Watson, who has been a payroll auditor in the Milwaukee branch of the Travelers, has been promoted to be a field assistant in Wisconsin. Mr. Watson is a graduate of Notre Dame university.

I. Loughlin, who has been liability counter man for Travelers at Milwaukee, has been transferred to the Detroit branch where he will be in the cashier's department.

Fatalities Increase 3 Percent

Automobile fatalities in 77 cities of the United States increased 3 percent during 1927 according to figures compiled by the United States Department of Commerce. The rate of automobile fatalities increased from 21.1 per 100,000 of population to 21.7. The figures were compiled in periods of four weeks each and those given represent the 52 weeks ending Dec. 3, 1927, compared with the 52 weeks ending Dec. 4, 1926.

Interstate Buses Must Be Covered

Operators of interstate buses in New Jersey have until Jan. 15 to comply with an order of the public utility commission that they must carry not less than \$5,000 liability insurance for protection of passengers. Under the order buses operating interstate are put in the same class with buses operating in the state. It is reported that in most cases the interstate buses are well protected with insurance.

Adds Automobile Department

The Standard Mutual Corporation, organized in Denver some months ago by Philip J. Ragooland, primarily for the purpose of writing accident and health insurance, has added an automobile department and has been appointed state manager for the Western Automobile Casualty of Fort Scott, Kan. It is already writing a very good business in that line.

Casualty Notes

The American Mine Owners Casualty of Huntington, Pa., has been admitted to Kentucky.

Vinton Loeser, graduate of Trinity College, Hartford, has joined the liability department of the Aetna Life and affiliated companies in the underwriting division.

The Midland Insurance Agency in Cincinnati, E. W. Watson, manager, has been given a general agency for Hamilton county for the United States Casualty.

Pronounce the Letters Separately

T

(STANDS FOR "THE")

"**The**"—the most frequent word in the English language, occurs in nearly every sentence, but generally is not important. Sometimes, however, it is accented strongly, as in "*the* accident policy"

meaning, thereby, the *leading* accident policy. The one outstanding contract of insurance

A

(STANDS FOR "ACCIDENT")

best adapted for the protection of the great general public from every form of **Accident**.

It is so broad in its coverage, so clear in its terms, and so moderate in its cost that Independence agents are delighted with the rapid sale of this **Policy**. It is one of their largest sources of profit.

P

(STANDS FOR "POLICY")

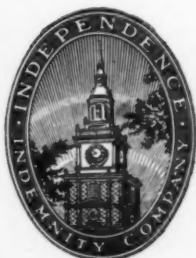
INDEPENDENCE AGENTS: We expect to see you bring a large proportion of your neighbors under the protection of T A P.

With your exclusive sales rights

YOU ARE A PRIVILEGED CLASS!

Wm. H. Beaud

President



The INDEPENDENCE COMPANIES

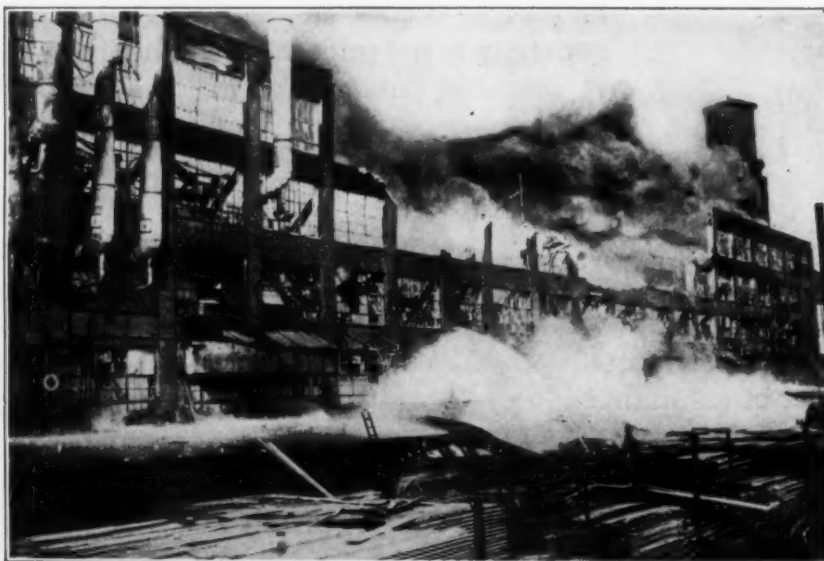
Home Offices — PHILADELPHIA

Casualty Insurance • Surety Bonds

Fire Insurance



—*— These Companies maintain Human Relations with their Agents, Brokers and Policyholders —*—



Production Stops---But Profits Continue

"It'll be months before that building can be replaced and the factory can be back on a full production basis," commented spectators as they watched the plant of a large Detroit manufacturing company go up in flames.

Stockholders of the company, however, have no cause to worry, despite the fact that the fire destroyed one of the important units of the company's plant and came in the midst of its rush season, as it is reported that the company carried over \$7,500,000 Use and Occupancy insurance in addition to their property damage coverage, and therefore the loss should be fully covered.

"Fully covered" does not mean merely that the damage to buildings and equipment will be paid. Damage to buildings and equipment is only a part of the loss caused by fire. To be fully covered, the fixed charges and the profits that normally would have been earned during the period that the production

of the company is affected by fire, should be insured.

In these days of growing knowledge of the various forms of insurance coverage by the public at large, the business management that fails to secure Use and Occupancy insurance is likely to find itself under severe criticism by stockholders and creditors if a fire occurs and the fixed charges and dividends must be paid out of surplus.

There is no reason why any of your clients should find themselves in this position. The facts on Use and Occupancy are readily available. They are contained in "Earnings after the Fire", a booklet issued by The Travelers. Lay these facts in front of them. Make them see themselves, in case of a serious fire, issuing the reassuring notice to stockholders and creditors "The loss is fully covered by fire and Use and Occupancy insurance"

THE TRAVELERS

The Travelers Insurance Company The Travelers Indemnity Company
The Travelers Fire Insurance Company

HARTFORD, - - - - - CONNECTICUT

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